

**2018 CASBS Summer Institute**

**Organizations and Their Effectiveness**

July 9 – July 21

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Nava Ashraf, Gillian Hadfield, and Kate Kellogg, collaborators

*Version: May 31, 2018*

**Session 1 (Mon., Jul. 9):  
Major Themes in Organizational Economics**

***Read (i.e., broad, introductory surveys):***

Gibbons, Robert. 2018. "Words to Remember (for one Organizational Economist)." Unpublished. **(p. 1)**

Gibbons, Robert and John Roberts. 2015. "Organizational Economics." In R. Scott and S. Kosslyn (eds.), *Emerging Trends in the Social and Behavioral Sciences*, Wiley. **(pp. 1-9)**

Gibbons, Robert. 2000. "Why Organizations Are Such a Mess (and What an Economist Might Do About It)." Unpublished. **(pp. 1-19)**

Gibbons, Robert. "Perspectives on Organizational Economics." **(pp. 1-2)**

***Skim (i.e., classics worth skimming if not already known):***

March, James. 1962. "The Business Firm as a Political Coalition." *Journal of Politics* 24: 662-78.

Williamson, Oliver 1971. "The Vertical Integration of Production: Market Failure Considerations." *American Economic Review*, 61: 112-23.

Milgrom, Paul and John Roberts. 1988. "An Economic Approach to Influence Activities in Organizations." *American Journal of Sociology* 94: S154-S179. **(pp. S154-S162)**

***Inspect (i.e., further reading for the truly obsessed):***

Gibbons, Robert. 2013. "Cyert and March (1963) at Fifty: A Perspective from Organizational Economics." Unpublished. **(pp. 1-8)**

Gibbons, Robert. 2010. "Transaction-Cost Economics: Past, Present, and Future?" *Scandinavian Journal of Economics* 112: 263-88. **(pp. 263-76)**

**Session 2 (Tue., Jul. 10):  
Major Themes in Economic and Organizational Sociology**

***Classics to be familiar with:***

Macaulay, Stewart. 1963. "Non-contractual Relations in Business." *American Sociological Review* 28: 55-67.

DiMaggio, Paul J. and Walter W. Powell. 1983. "The Iron Cage Revisited: Institutional Isomorphism and Collective Rationality in Organizational Fields." *American Sociological Review* 48(2):147-60.

Hannan, Michael T. and John Freeman. 1984. "Structural Inertia and Organizational Change." *American Sociological Review* 49(2): 149-64.

Powell, Walter W. 1990. "Neither Market Nor Hierarchy: Network forms of organization." *Research in Organization Behavior*, 12: 295-336, Barry M. Staw and L. L. Cummings, eds. *JAI*.

March, James G. 1991. "Exploration and Exploitation in Organizational Learning." *Organization Science* 2:71-87.

Zuckerman, Ezra. 1999. "The Categorical Imperative: Securities analysts and the legitimacy discount." *American Journal of Sociology* 104: 1398-1438.

**Session 3 (Tue., Jul. 10):  
A Frontier of OE—Organizational Performance**

***Read:***

Syverson, Chad. 2011. "What determines productivity?" *Journal of Economic Literature* 49: 326-65. **(pp. 326-47)**

Gibbons, Robert and Rebecca Henderson. 2012. "Relational Contracts and Organizational Capabilities." *Organization Science* 23: 1350-64. **(Secs. 1-3)**

***Skim:***

Ichniowski, Casey, Kathryn Shaw, and Giovanna Prennushi. 1997. "The Effects of Human Resource Management Practices on Productivity: A Study of Steel Finishing Lines." *American Economic Review* 87: 291-313. **(pp. 291-302)**

Bloom, Nicholas, Raffaella Sadun and John Van Reenen. 2012. "The organization of firms across countries." *Quarterly Journal of Economics* 127: 1663-705. **(pp. 1674-97)**

***Inspect:***

Li, Jin, Niko Matouschek, and Michael Powell. 2017. "Power Dynamics in Organizations." *American Economic Journal: Microeconomics* 9: 217-41. **(Intro)**

**Session 4 (Wed., Jul. 11):  
Cross-disciplinary hack**

No readings (yet).

**Session 5 (Wed., Jul. 11):  
A Frontier of Organizational Sociology: Multiple Networks and Emergence**

**Read:**

Padgett, John F. and W. W. Powell. 2012. "The Problem of Emergence," Ch. 1 in *The Emergence of Organizations and Markets*. Princeton University Press. For empirical cases, read chapters 6 and 14.

**Session 6 (Thu., Jul. 12):  
Introduction to Organizational Ethnography**

**Read:**

Herbert Kaufman. 1960. *The Forest Ranger*. As reprinted in 2006 by Resources for the Future Press. Chapters 3 and 6. [~50pp]

Roy, Donald F. 1952. "Quota restriction and goldbricking in a machine shop." *American Journal of Sociology* 57:427-442.

Dalton, M. 1959. *Men who manage: Fusions of feeling and theory in administration*. New York: Wiley. Chapter 4: "Relations between staff and line."

**Skim:**

Burawoy, M. 1979. *Manufacturing consent: Changes in the labor process under monopoly capitalism*. Chicago: University of Chicago Press. Chapter 5: "The labor process as a game."

Gouldner, A. 1954. *Patterns of Industrial Bureaucracy*. New York: Free Press. Chapter 10: "A provisional analysis of bureaucratic types."

## Session 7 (Thu., Jul. 12):

### A Frontier of Economic Sociology: Rethinking Exit, Voice, and Loyalty

#### Read:

Turco, Catherine. 2016. *The Conversational Firm*, Columbia University Press. Chapters 2-4. A copy of the book is also available in the CASBS library. Don't run off with it.

Brandtner, Christof, Aaron Horvath, and W.W. Powell. 2018. "From Iron Cage to Glass House: Rationalization, Receptivity, and Intercalation in the Nonprofit Sector, 2005-2015."

Freeland, Robert, and Ezra Zuckerman-Sivan. 2018. "The Problems and Promise of Hierarchy: Voice Rights and the Firm." *Sociological Science* 5: 143-81.

#### Skim:

March, James and Herbert Simon. 1958. *Organizations*. New York, NY: John Wiley & Sons. Chapter 4: "Motivation: The Decision to Participate."

Zelditch, Morris. 2001. "Processes of Legitimation: Recent Developments and New Directions." *Social Psychology Quarterly* 64 (1): 4-17.

## Session 8 (Fri., Jul. 13):

### A Frontier of OE—Culture as Equilibrium?

#### Read:

Kreps, David. 1990. "Corporate Culture and Economic Theory." Chapter 4 in J. Alt and K. Shepsle, eds. *Perspectives on Positive Political Economy*. Cambridge University Press. (pp. 124-31)

Gibbons, Robert and Rebecca Henderson. 2012. "Relational Contracts and Organizational Capabilities." *Organization Science* 23: 1350-64. (Secs. 4-5)

Stewart, James. 1993. "Taking the Dare." *The New Yorker*, July 26: 34-39

#### Skim:

Martinez, Elizabeth, Nancy Beaulieu, Robert Gibbons, Peter Pronovost, and Thomas Wang. 2015. "Organizational Culture and Performance." *American Economic Review Papers & Proceedings* 105: 331-5.

Foss, Nicolai. 2003. "Selective Intervention and Internal Hybrids: Interpreting and Learning from the Rise and Decline of the Oticon Spaghetti Organization." *Organization Science* 14: 331-49. (pp. 333-43)

#### Inspect:

Chassang, Sylvain. 2010. "Building Routines: Learning, Cooperation, and the Dynamics of Incomplete Relational Contracts." *American Economic Review* 100: 448-465. (pp. 448-61)

**Kellogg Sessions (Mon.-Tue, Jul. 16-17):  
Frontiers of Organizational Ethnography**

**July 16<sup>th</sup> afternoon 1<sup>st</sup> half:**

*Read:* Van Maanen, John (1990). "The Smile Factory: Work at Disneyland" in *Reframing Organizational Culture*, edited by P. Frost et al., p. 58-76.

*Skim:* Mears, Ashley (2015). "Working for free in the VIP: Relational work and the production of consent," *American Sociological Review*. Vol. 80:1099-1122.

*Inspect:* DiBenigno, Julia and Kellogg, Katherine (2014). "Beyond occupational differences the importance of cross-cutting demographics and dyadic toolkits for collaboration in a US hospital." *Administrative Science Quarterly*, vol. 59:375-408.

*Discussion Questions:*

- If Van Maanen (Smile Factory) had gone into Mears' and DiBenigno and Kellogg's settings, what would he likely have emphasized? What does the difference between Van Maanen and what the other two papers emphasized tell us about how these three studies contribute to our understanding of culture?
- If identities are sources of inequality, then why would anyone ever claim a disadvantaged identity? Discuss this question in relation to the Mears and DiBenigno and Kellogg papers.

**July 16<sup>th</sup> afternoon 2<sup>nd</sup> half:**

*Read:* Rosenblat, Alex and Stark, Luke. 2016. "Algorithmic Labor and Information Asymmetries. A Case Study of Uber Drivers." *International Journal of Communication* 10: 3758-3784.

*Skim:* Orlikowski, Wanda and Scott, Susan. 2015. "The Algorithm and the Crowd: Considering the Materiality of Service Innovation." *MIS Quarterly* 39 (1): 201-216.

*Inspect:* Shestakofsky, Benjamin. 2017. "Working Algorithms: Software Automation and the Future of Work." *Work and Occupations* 44(4):376-423.

*Discussion Questions:*

- How is the control described in Rosenblat, Orlikowski and Scott, and Shestakofsky different from the control described in Van Maanen? Different from the control described in Mears? Different from the control described in DiBenigno and Kellogg?

**July 17<sup>th</sup> morning, 1<sup>st</sup> half:**

*Read:* Levy, Karen. 2015. "The Contexts of Control: Information, Power, and Truck-Driving Work." *The Information Society*, 31:160-174.

*Skim:* Brayne, Sarah. 2017. "Big Data Surveillance: The Case of Policing." *American Sociological Review*, 82(5): 977-1008.

*Inspect:* Christin, Angele. 2018. "Counting Clicks: Quantification and Variation in Web Journalism in the United States and France." *American Journal of Sociology*, 123 (5): 1382-1415.

*Discussion Questions:*

- Take the Levy article and interpret the data in it using the following lenses rather than by using the surveillance lens that Levy used:
  - A) Organizational Economics
  - B) Organizational Culture
  - C) Identity and Inequality

**July 17<sup>th</sup> morning, 2<sup>nd</sup> half:**

*Kate Presents Work-in-Progress around Relational Contracts and Group Discusses*

**Hadfield Sessions (Wed, Jul. 18):  
Contracts as Governance**

**July 18 morning:**

*Read:* Gillian K. Hadfield and Iva Bozovic. 2016. "Scaffolding: Using Formal Contracts to Build Informal Relations in Support of Innovation" *Wisconsin Law Review*. 2016: 981-1032.

*Skim:* Ricard Gil and Giorgio Zanarone. 2017. "Formal and Informal Contracting: Theory and Evidence" *Annual Review of Law and Social Science*. 13: 141-59.

*Inspect:* Gillian K. Hadfield and Barry R. Weingast. 2012. "What is Law? A Coordination Model of the Characteristics of Legal Order." *Journal of Legal Analysis* 4: 471-514.

Oliver Hart and John Moore. 2008. "Contracts as Reference Points." *Quarterly Journal of Economics* 123: 1-48.

**July 18 afternoon:**

*Read:* Dylan Hadfield-Menell and Gillian K. Hadfield "Incomplete Contracting and AI Alignment" [arXiv:1804.04268](https://arxiv.org/abs/1804.04268).

*Skim:* Mark Granovetter. 1985. "Economic action and social structure: The problem of embeddedness." *Journal of Sociology* 91(3):481-510.

*Inspect:* Dario Amodei et al. 2017. "Concrete Problems in AI Safety" [arXiv:1606.06565](https://arxiv.org/abs/1606.06565).

**Ashraf Sessions (Thu.-Fri., Jul. 19-20):  
Frontiers of Field Experiments in Organizations**

***Agents and Organizations with Mixed Motivation:***

*Read:* Ashraf, Nava and Oriana Bandiera. "Social Incentives in Organizations." Forthcoming, *Annual Review of Economics*.

*Skim:* Ashraf, Nava and Oriana Bandiera. 2017. "Altruistic Capital." *American Economic Review: Papers & Proceedings*, 107(5): 70-75.

*Inspect:* Besley, Timothy and Maitreesh Ghatak. 2005. "Competition and Incentives with Motivated Agents." *American Economic Review*, 95(3): 616-36.

***Incentives on the Job:***

*Read:* Ashraf, Nava, Oriana Bandiera, and Kelsey Jack. 2014. "No Margin, No Mission? A Field Experiment on Incentives for Public Services Delivery." *Journal of Public Economics*, 120: 1-17.

*Skim:* Gneezy, Uri, Stephen Meier, and Pedro Rey-Biel. 2011. "When and Why Incentives (Don't) Work to Modify Behavior." *Journal of Economic Perspectives*, 25(4), 191-210.

***Selection across Jobs:***

*Read:* Ashraf, Nava, Oriana Bandiera, and Scott Lee. 2018. "Losing Prosociality in the Quest for Talent? Sorting, Selection, and Productivity in the delivery of Public Services." Working Paper.

*Skim:* Dal Bó, Ernesto, Frederico Finan, and Martín A. Rossi. 2013. "Strengthening state capabilities: The role of financial incentives in the call to public service." *Quarterly Journal of Economics*, 128(3): 1169-218.