

Soc. 144 Fall 2008

Prof. Bai Gao

Technology and Organizational Environments

341 Soc/Psy Bldg

137 Carr Building

Mon./Wed.10:05am-11:20am

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Office Hour: by appointment

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Goals:

This class is an introductory course about the impact of information revolution on business organizations. Recent development of information technology represented by the internet has exerted a great challenge to business organizations. Many business leaders have argued that this is an era of either E-business or no business. The impact of internet and other information technology on business organizations can be seen not only in purchasing, R&D, production, but also in marketing, distribution, and advertising. In this sense, it is an urgent task for students who want to better prepare themselves for a business career to understand these important changes. The question, however, is whether technology is the only determining factor that ultimately shapes the structure of business organizations. It is an issue subject to intensive debates. Many sociologists hold that while technology is an important aspect of business organization, it is not the solely determining factor, just like the market forces or efficiency. As the recent retreat of the internet industry indicates, other basic principles regarding how business organizations operate still remain valid even in an era of information revolution. Many dot.coms that aggressively burned the venture capital money by breaking the business rules have failed. What we are experiencing now is not a new era in which business organizations are dominated by technology, rather, it is an era in which new technologies and old form of business organizations interact with each other, exemplified by the recent alliance between Amazon.com and Wal-mart. In this course, we will address the question of to what extent the information revolution has really challenged the existing social science perspectives on business organizations.

The goals of this course include the following:

1. Discuss the basic social science concepts and perspectives on organizations.
2. Discuss the impact of recent development of information technology on organizational environments.
3. Employ these theories to the analysis of organizational behavior in the real world.
4. Help students apply these theories in their own research

Three different components are designed in this class to achieve the above goals. The first is social science theories on technology and business organizations. The second is how to make sense of these social science theories by applying them to the ongoing reality of information revolution. The third is team research projects through which students apply the theories we covered in this class to study the real world. This component includes two parts:

team debates in which each team would have an opportunity to take a position on a specific issue to debate with another team, and a final team presentation in the class and a research paper. Both team debates and final presentations are important components of this class and they function as a self-learning process. Each team is expected to prepare a one-page handout for the entire class and the contents of these handouts will be tested in the mid term and the final.

Each student is expected to participate in all team debates and final presentations even your team does not present. Missing one evaluation sheet in these events leads to the loss of one point in the final grade unless an official letter from the dean excuses your absence.

Requirements:

Three major components determine your final grade in the course: a mid-term exam (25%), a final exam (35%), and team projects (40%). Both the mid-term and the final exams will be multiple-choice questions. During the semester, team will be the basic unit to organize debate and research project. I will divide the class into 10 teams after the enrollment is finalized. For each class I expect you to read the materials in advance and be prepared to discuss and ask questions.

The Distribution of the Grade

Item	% in the total	Who decides the grade
The mid-term	25%	instructor
The final	35%	instructor
The team projects	40%	
	A breakdown of the 40 % for the team project	
	a. Each team participates once in a debate on the impact of technological revolution on organizations or our society	
	10%	other teams
	b. final presentation	
	15%	other teams
	c. the paper	
	15%	instructor

The total	100%	

All readings will be on reserve and you can find them through your blackboard under e-reserves.

Schedule and Reading:

8/25 M. Business Meeting

8/27 W. Introduction

Business Organization in the Era of Internet

Charles Grantham. 2000. "Organizations of the Future." In *The Future of Work*. Pp.117-141.

Video: Internet Money Machine

9/1 M. Information Revolution

M. Castells, 1996. "The Information Technology Revolution." In *The Rise of the Network Society*. Oxford: Blackwell. Pp.29-65.

Group Discussion: The Impact of the Internet Revolution

Background Reading: Rachel Lehmann-Haupt. "The Dorm Room Economy." *Business 2.0*. November 2000. pp. 204-212.

9/3 W. Organizations and Environments: Three Approaches

R. Scott, 1992. "Chapter Four: Organizations as Open Systems," in his *Organizations: Rational, Natural and Open Systems*. Englewood Cliffs: Prentice Hall. pp.76-96.

9/8 M. We will divide the whole class into small teams. Each team will choose an organizer and has its first meeting to talk about the potential topic for the team projects. We will also decide the order of presentation for team debates and final presentation

9/10 W. Lecture: How to do a social science research project.

9/15 M. Social Structure of the Market

M. Granovetter, 1985. "Economic Action and Social Structure: The Problem of Embeddedness," *American Journal of Sociology* 91:481-510.

Social Network in the Era of Internet

Jeremy Rifkin. 2000. *The Age of Access*. Chapt 1-2.

9/17 W. The Internet Boom and Burst

Michael Mandel, 2000. *The Coming Internet Depression*. Chapt 2, 4.

9/22 M. Resource Dependence Theory

J. Pfeffer and G. Salancik, 1978. "Chapter Three: Social Control of Organizations," in their *The External Control of Organization: A Resource Dependence Theory*. New York: Harper & Row, Publishers, pp.39-61.

9/24 W. Team Debate One: Is the Internet Revolution Over? Background: We have seen the collapse of the technology stocks in the market. The burst of the internet bubble has resulted into huge loss of internet companies' stock values and many of these have fell into bankruptcy. We are confronting a major question: whether the era of internet revolution is over.

9/29 M. Technological Development

Alfred Chandler, 1992. "The Emergence of Managerial Capitalism," in M. Granovetter and R. Swedberg, edited, *The Sociology of Economic Life*. Westview Press. pp.131-58.

10/1 W. Team Debate Two:

Will B2C (meaning business to consumer) Internet Companies Replace the Traditional Companies? Background: the traditional distribution networks in wholesale and retailing industries are now facing great challenge from the new middleman who does business through the internet. However, there is a great debate on whether the B2C internet companies could replace completely the traditional companies, or will Amazon.com replace Wal-Mart.

10/6 M. No class, prepare for the mid term exam

10/8 M. Mid-term exam

10/15 W. Neo-Institutional Theory

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

OECD. 1999. "Electronic Commerce, Jobs and Skills." In *The Economic and Social Impact of Electronic Commerce*. Pp.105-141.

10/20 M. Transaction Cost Theory

Excerpts from O. Williamson, 1985. *The Economic Institution of Capitalism*. New York: The Free Press. pp.15-23; 43-51; 72-80; 103-129.

10/22 W. 2/22 F. Team Debate Three: Which one is more promising in the future, Google or Facebook? Background: Google is usually considered the major player for the future. Recently, however, Facebook has become very popular. Many people are waiting for its IPO and believe that Facebook will beat Google, becoming the most important player in the internet industry. What do you think?

10/27 M. Organizational Ecology

G. Carroll and M. Hannan, "Focus on Industry: The Organization Lens", and "An Introduction to Organization Ecology," in C & H, pp.3-32.

10/29 W. Team Debate Four:

Will the Information Revolution Change the Career Pattern in the Future? Background: this has direct implications to each of us. In the past two years, we have seen a phenomenon that many people in various professions quit their former positions in the established industries, heading toward the internet startup. In this year's shakeup of the internet companies, however, we can also see a reverse pattern. At the center of this debate is the issue of whether the information revolution would drastically change our future career pattern.

11/3 M. Political Influence

J. Campbell and L. Lindberg, 1990. "Property Rights and the Organization of Economic Activity by the State," *American Sociological Review* 55:634-47.

Mike Hofman. 2000. "Urban Outfitters: Big-city Mayors Are Eager to Make Revivified Inner Cities a Part of Their Legacies." *Inc.* May. Pp. 106-115.

11/5 W. Team Debate Five:

Is outsourcing good or bad to the U.S. economy? Background: In the past decade, outsourcing has become a major practice by many U.S. corporations. Some argue that this is a major threat to the high paid jobs in the United States. Some argue that this will improve efficiency. Take the opposing view into consideration and defend your own position.

11/10 M. Cultural Environment

P. DiMaggio, 1994. "Culture and Economy," in N. Smelser and R. Swedberg, *The Handbook of Economic Sociology*. Princeton: Princeton University Press. pp.27-57.

Don Tapscott. *Growing Up Digital*. Chaps. 2, 10.

11/12 W. Presentation of your research project (five teams)

11/17. M. International Competition

M. Porter, 1990. "The Competitive Advantage of Nations," *Harvard Business Review*, March-April, pp.73-93.

11/19 W. Presentation of your research project (five teams)

12/1 M. Globalization

R. Boyer, 1996. "The Convergence Hypothesis Revisited: Globalization but Still the Century of Nations?" in S. Berger and R. Dore, edited, *National Diversity and Global Capitalism*. Ithaca: Cornell University.

12/3 W. Review for Final Exam

Grading Sheet: You will receive grades in number for the mid-term exam, the debate, the team project final presentation, the team project paper, and the final exam. Then the accumulated number will be converted into a letter grade according to the following schedules. I will report this letter grade to the university as your final grade for this course.

Conversion of Your final Grade

A+=100-97

A =96-93

A-=92-90

B+=89-87

B =86-83

B-=82-80

C+=79-77

C =76-73

C-=72-70

D+=69-67

D =66-63

D-=62-60