

MGMT 933

Psychological and Sociological Foundations of Management

Time: Wednesday, 9:00 am – 12 noon

Location: Bowman Room (Room 2039), 2nd floor, Steinberg-Dietrich

Instructors:

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This course, required of all first year doctoral students in management and open to other Penn graduate students with permission, focuses on the behavioral and social science foundations of management theory and research. We cover key concepts and findings in these fields that have shaped—and continue to shape—work on management and organizations. The course is predicated on the belief that to explore the evolving assumptions, predictions, and methodological entailments of major research programs, one needs a background in “the classics.” Therefore, we will be reading selected classics from the fields of psychology and sociology in their original unexpurgated form during this semester. Our goal is to help you connect the past to the present and place the “big topics of the moment” in a wider historical-philosophical context. What is new is rarely as new as it appears—and what is old may soon be reincarnated in an early 21st century guise. Understanding this can give you a competitive advantage in developing the next new (old) thing.

Course materials:

All course readings will be distributed to students except Robert Cialdini’s Influence, Nate Silver’s The Signal and the Noise, Duncan Watts’ Six Degrees, and Watts’ Everything is Obvious. Please purchase these four books online.

Course requirements:

1. **Weekly reaction papers.** We have assigned a number of readings for each class, including the first meeting. We expect you to complete all of these readings, and to come to class prepared to discuss them. This preparation includes a two-page (single-spaced) reaction paper to the readings each week. Please note the difference between this assignment (a reaction paper) and a summary paper. A summary paper compresses what you read into key concepts and relations between concepts; you may well want to write summaries of this course's readings for your own purposes (i.e. preparation for your first-year exams), but these summaries do not fulfill the weekly reaction paper assignment for this course. In your reaction papers, we expect you to analytically respond to the week's reading. If you feel you need to summarize the reading in some way, please do so in the first paragraph of no more three lines. Beyond that, your reaction might achieve one of the following:
 - relate reading to management concerns – practical or conceptual
 - relate reading to management theory and practice
 - critique reading's substance, logic (identify an unsolved problem or unresolved contradiction in the arguments and evidence presented)
 - compare and contrast reading with other 933 readings
 - suggest an empirical test of propositions derived from reading

Again, these reaction papers are meant to reflect your thoughts and analyses so don't be afraid to use the first person singular in your writing. These reaction papers are due no later than 5 pm on Tuesdays since we meet Wednesday morning. We will provide feedback on your papers, often in one-on-one meetings, and their quality will constitute 50% of your course grade.

Any doctoral seminar is only as good as the quality of the listening, thinking and responding among its participants. Thus we encourage not only your careful preparation for class, but also your thoughtful comments during its meeting. If your grade rests at a margin at the end of the course, we'll consider the quality of these comments (more than their quantity) in determining your overall course grade.

2. **Final course paper.** We also expect you to write a final paper for the course, in which you seek to identify and develop non-obvious connections between psychological and sociological literatures. You should address the implications of your analysis for research by including testable hypotheses. Think of the paper as

the front end of a journal article, the theory development and, to some extent, the research methods sections. The paper may not exceed 20 pages in length; experience suggests that excellent substance and logic can easily be expressed within this limit. **A short proposal of your paper topic is due in class on Wednesday, October 22nd. The final paper is due no later than Friday, December 19th.** The quality of the final paper will constitute the remaining 50% of your course grade.

Week 1 (August 27, 2014) Foundational Issues: The Nature of Social Scientific Knowledge

The major reading is the 2010 updating of the influential Aronson and Carlsmith (1968) chapter that lays out the philosophy of research behind the experimental work of renowned social psychologists, from the mid- 20th to the early 21st centuries (an approach to research that has also left a big imprint on micro-OB). But there have long been skeptics—and some today suspect that the Aronsonian approach is partly responsible for what Kahneman has called a “trainwreck” of methodological malpractice (e.g., Simmons et al. (2011) reading).

Required Reading:

Wilson, T., Aronson, E., & Carlsmith, M. (2010). Experimentation in social psychology, In D. Gilbert et al. (eds), *Handbook of social psychology*.

Henrich., et al. (2010). The weirdest people in the world. *Behavioral and Brain Sciences*. 33, 61-135.

Tavris, C. (2014). Lessons from the lab. Teaching contentious classics: Sherif, Milgram and Harlow revisited. Invited address to Association for Psychological Sciences, . Reprinted in *Times Literary Supplement*, July 18, 2014

Optional Readings

Cronbach, L. & Meehl, P. (1955). The logic of construct validation. *Psychological Review*.

Gergen, K. (1973). Social psychology as history. *Journal of Personality and Social Psychology*.

Simmons, J. Nelson, L., & Simonsohn, U. (2011). False-positive psychology undisclosed flexibility in data collection and analysis allows presenting anything as significant. *ological Science*, 2011.

Week 2 (September 3, 2014) Foundational Assumptions about Human Nature

Be a choosy customer in the micro-OB marketplace of ideas—which can be swayed by managerial fads (on the applied side) and seductive reductionist formulas (on the academic side). We explore how psychological research programs evolve. Here it helps to appreciate the diverse assumptions about human nature underpinning key programs of the last century, including: associationist assumptions (that depict people as bundles of previously rewarded habits—and stress unconscious drivers of behavior); cognitive-consistency-seeking assumptions (that stress our tendencies to act first and rationalize later); cognitive-mastery-seeking assumptions (that depict us as intuitive scientists trying to make correct causal attributions), social-identity assumptions (that stress our need to affirm—privately as well as publicly--desired images of ourselves) and evolutionary-psychology assumptions (that portray us as pre-equipped to solve recurring adaptive problems—from attracting mates to punishing free riders).

Required Reading:

- Allport, G. (1954/1968/1985). The historical background of social psychology. In Gardner Lindzey et al., *Handbook of social psychology* (2nd edition; volume 1). Addison Wesley.
- Kuhn, Thomas. S. (1970). The structure of scientific revolutions (2nd Edition). Chicago: University of Chicago Press. Chs. 1–3 (pp. 1–51).
- Taylor, S. (1998). The social being in social psychology. In S. Fiske et al. (eds), *Handbook of Social Psychology* (volume 1). New York: McGraw Hill.

Optional Reading:

These readings cover: (a) classic philosophy-of-science work on hypothesis testing (Popperian falsificationism); (b) work on the limits of falsificationism and the need to think about scientific progress in larger units such as Kuhn’s paradigms and Lakatos’s research programs; (c) the logic of construct validation (ensuring that our operational definitions correspond to our theoretical constructs); (d) the value of candor about what we do—and don’t—know. Be alert to others’ blind spots—they are your opportunities.

- Gholson, Barry, and Peter Barker (1985). Kuhn, Lakatos, and Laudan: Applications in the History of Physics and Psychology. *American Psychologist*, 40, 755-769.
- Popper, Karl R. (1963). Conjectures and refutations: The growth of scientific knowledge. London: Routledge and Kegan Paul. Ch.1 (pp. 33 – 65).
- Schwab, Donald P. (1980). Construct Validity in Organizational Behavior. Research in Organizational Behavior, 2, 3-43.
- Merton, Robert K. (1956). Social Theory and Social Structure, revised ed. New York: Free Press. Introduction, pp. 3-16

Tetlock, Philip E. (2002). Structural Functionalist Frameworks for Judgment and Choice: Intuitive Politicians, Theologians, and Prosecutors. *Psychological Review*, 109, 451-471.

Week 3 (September 10, 2014) Evolving Views of Human Nature: From Insightful Intuitive Scientists to Associationist Automatons.

Note that the position you take on these issues may well shape the positions you take on the pros and cons of competing prescriptive approaches to organizational design (e.g., a psycho-organizational affinity between associationism and command-and-control bureaucracy?).

Required Reading:

Jones, E. E. (1979). The rocky road from acts to dispositions. *American Psychologist*.

Ross, L., et al. (1977). Social roles, social control and social perception processes. *Journal of Personality and Social Psychology*.

Gilbert, D. & Malone, P. (1995). The correspondence bias. *Psychological Bulletin*.

Bargh, J & Chartrand, T. (1999). The unbearable automaticity of being. *American Psychologist*

Optional Reading:

Bunderson, J.S. & Lofstrom, S.M. (2000). Conceptualizing and measuring professional and administrative models of organizing. *Organizational Research Methods*.

Bunderson, J.S. & Boumgarden, P. (2010). Structure and learning in self-managed teams: Why “bureaucratic” teams can be better learners. *Organization Science*.

Barley, S.R. & Kunda, G. (2006). Contracting: A new form of professional practice. *Academy of Management Perspectives*.

Ashford, S., George, E., & Blatt, R. (2007). Old assumptions, New Work: The opportunities and challenges of research on nonstandard employment. *Academy of Management Annals*.

Kelley, H. H. (1967). Attribution theory in social psychology. In D. Levine (ed.), *Nebraska Symposium on Motivation* (Volume 15, pp. 192-238). Lincoln: University of Nebraska Press.

Tetlock, P. E. (2000). Cognitive bias and organizational correctives: do both disease and cure lie in the eye of the ideological beholder. *Administrative Science Quarterly*.

Week 4 (September 17, 2014) From Error-Prone Intuitive Economist to Resourceful Winners of Evolutionary Games

What criteria should we use to identify errors and biases? How pervasive and how robust are these biases? What hard are they to fix? Do they melt away in repeated-play games and in competitive markets? Or do they have a much more tenacious hold over our minds? (Stockholm could not decide—so they split the Prize between Daniel Kahneman and Vernon Smith.) We also explore alternatives to the error and bias perspective inside psychology (prominent skeptics including Gerd Gigerenzer, Gary Klein and the evolutionary theorists Leda Cosmides and John Tooby)

Required Reading:

Kahneman, D. (2011). Thinking, fast and slow. New York, Farrar Straus & Giroux.
Chapters 1-4

Kahneman and Klein (2009). A failure to disagree. *American Psychologist*.

Tooby, J. & Cosmides, L. (2005). Conceptual foundations of evolutionary psychology. In D. M. Buss (Ed.), *The Handbook of Evolutionary Psychology* (pp. 5-67). Hoboken, NJ: Wiley.

Kahneman, D. & Tversky, A. (1996). On the reality of cognitive illusions. *Psychological Review*.

Gigerenzer, G., & Goldstein, D. G. (1996). Reasoning the fast and frugal way: models of bounded rationality. *Psychological review*, 103(4), 650.

Optional Reading:

Gigerenzer, G. (1996). On narrow norms and vague heuristics: a reply to Kahneman and Tversky. *Psychological Review*, 103(3).

Kahneman and Tversky (1974). Judgment under uncertainty. *Science*, 185, 1124-1131.

Kahneman, D. & Tversky, A. (1984). Choices, Values, and Frames. *American Psychologist*, 39, 341-350.

Smith, V (1991), Rational choice: The contrast between psychology and economics.
Journal of Political Economy.

Smith, V (1994). Economics in the laboratory. *Journal of Economic Perspectives*.

Week 5 (September, 24 2014) Evolving Views of Human Motivation

Scholars in our field disagree on lots of things but they agree that models depicting people as pure egoists are too simplistic. They worry about the perverse consequences of taking such models literally (e.g., the dangers of undermining intrinsic motivation—and of setting up endless cat-and-mouse principal-agent games in which principals scramble to plug holes in contracts—and agents struggle to poke new holes).

Required Reading:

Camerer, C & Fehr, E. (2004). Behavioral game theory chapter in Foundations of human sociality: Economic experiments and ethnographic evidence from fifteen small-scale societies

Wilson, D.S., Near, D., & Miller, R.R. (1996). Machiavellianism: A synthesis of the evolutionary and psychological literatures. *Psychology Bulletin*, 119, 285-300.

Grant, A. M. (2007). "Relational job design and the motivation to make a prosocial difference." *Academy of Management Review* 32(2): 393-417.

Baron, J.N. (2013). Empathy wages?: Gratitude and gift exchange in employment relationships. *Research in organizational behavior*.

Latham, G.P. & Budworth, M. The study of work motivation in the 20th century. In Historical Perspectives in Industrial and Organizational Psychology, Ed. Laura Koppes, Psychology Press.

Optional Reading:

Pittman, Thane and Ziegler, Kate (2010). Basic human needs. In Susan Fiske et al. (eds), Handbook of social psychology (volume 2).

Hackman, J. Richard & Oldham, Greg R. (1976). Motivation through the design of work: test of a theory. *Organizational Behavior and Human Performance*, 16: 250 – 279.

Dennis (1988). Organizational Citizenship Behavior: The Good Soldier Syndrome. (pp. 1-79). Lexington Books.

Heath, C. (1999). On the social psychology of agency relationships: Lay theories of motivation overemphasize extrinsic incentives. *Organizational Behavior and Human Decision Processes*, 78, 25-62.

Swann, W.B. and Bosson, J (2010). Self and Identity In S. Fiske et al (eds), *Handbook of social psychology* (volume 1). New York: McGraw Hill.

A thought experiment: if the field of Management were populated mostly by “Randian-libertarian” researchers, would we look a lot more Lockean?

Locke, Edwin A. (1968). Toward a theory of task motivation and incentives. *Organizational Behavior and Human Performance*, 3: 157 – 189.

Week 6 (October 1, 2014) Coping with Contradictions: From Simple Dissonance Reducers to Dialectical Maestros

Psychologists have traditionally assumed that people have a deep rooted need for cognitive consistency (and aversion to cognitive dissonance). But people live and work in social worlds that often bring values, norms and roles into conflict—and people may be more creative in coping with dissonance than traditionally assumed..

Required Reading:

Abelson, R.P. (1959). Modes of resolution of belief dilemmas. *Journal of Conflict Resolution*, 3(4), 343-352.

De Dreu, C. K. W., B. A. Nijstad, et al. (2008). Motivated information processing in group judgment and decision making. *Personality and Social Psychology Review* 12(1): 22-49.

Peng & Nisbett (1999). Culture, dialectics and reasoning about contradiction. *American Psychologist*.

Trope, Y. & Liberman, A. (2010). Construal-level theory of psychological distance. *Psychological Review*.

Optional Reading:

Festinger, Leon. (1957). A Theory of Cognitive Dissonance. Stanford, CA: Stanford University Press. Foreward, Chs. 1 and 11 (pp. v – ix, 1 –31, 260-279).

Mom, T. et al. Understanding variation in managers’ ambidexterity... *Organizational Science*.

- Staw, B.M. & Hoang, H. (1995). Sunk costs in the NBA: Why drafts order affects playing time and survival in professional basketball. *Administrative Science Quarterly*, 40, 474-494.
- Tetlock, P. E. (1986). A value pluralism model of ideological reasoning. *Journal of Personality and Social Psychology* 50: 819-827.
- Wageman, R. (1995). "Interdependence and group effectiveness." *Administrative Science Quarterly* 40: 145-180.
- Smith, W. K. and M. W. Lewis (2011). "Toward a theory of paradox: A dynamic equilibrium model of organizing." *Academy of Management Review* 36(2): 381-403.
- Fong, C. T. (2006). "The effects of emotional ambivalence on creativity." *Academy of Management Journal* 49: 1016-1030.

Week 7 (October 8, 2014) The Problem of Order

This is a foundational question of sociology: how is social order constructed? The traditional answers are norms and institutions, on the one hand, and social construction or “reciprocated typification” (Peter Berger and Thomas Luckmann, *Invitation to Sociology*), on the other. You will find Parsons exhaustingly dense, Weick less so. Please however, think carefully before dismissing him out of hand.

Required Reading:

- Parsons, Talcott (1949). The Structure of Social Action. Glencoe, IL: Free Press. Chs. 1-3 (pp. 3-125).
- Weick, Karl E. (1969). The Social Psychology of Organizing, (First Edition). Menlo Park, CA: Addison-Wesley.

Week 8 (October 15, 2014) Material versus Social Explanations of Behavior

This is another foundational question: is behavior governed by social institutions or social class, the latter corresponding somewhat, though inexactly, to wealth. Marx is the theorist of social class, Durkheim of societal determinism (e.g., “suicidogenic currents at the societal level”), and Weber the arch anti-Marxist.

Required Reading:

- Marx, Karl (1848 [1962]). Manifesto of the Communist Party, in Karl Marx and

- Frederick Engels, *Selected Works*, v. 1, Moscow: Foreign Languages Publishing House (pp. 33-65).
- Marx, Karl and Frederick Engels (1846 [1976]). The German Ideology, 3rd ed., Moscow: Progress Publishers (pp. 25-62).
- Durkheim, Emile (1951). Suicide. Glencoe, IL: The Free Press. Preface, Introduction, Book I chs. 1-4, and Book II chs. 1-5 (pp. 35-276).
- Weber, Max (1930(?) [2005]). The Protestant Ethic and the Spirit of Capitalism. London and New York: Routledge. Chs. 1, 2, and 5 (pp. 3-38 and 102-125—not footnotes).

October 22, 2014: NO CLASS, Proposals for final paper due

Week 9 (October 29, 2014) The Rationalization of Action in Authority Systems

Another dose of Weber, a historical/comparative of the analysis of how large-scale administrative and authority systems emerged, coupled with Coleman's reductionist account that almost but doesn't quite succeed in deriving these systems from rational choice. A question potentially affecting your choices is whether large-scale administration and authority, which according to Weber are historically situated, will persist through the 21st century.

Required Reading:

- Weber, Max. (1978). The Types of Legitimate Domination. In Guenther Roth and Claus Wittich (Eds.), Max Weber: Economy and Society. Berkeley: University of California Press. Ch. 3, (pp. 212-301).
- Weber, Max. (1978). Bureaucracy. In Guenther Roth and Claus Wittich (Eds.), Max Weber: Economy and Society. Berkeley: University of California Press. Ch. 11 (pp. 956-1005).
- Coleman, James S. (1990). Foundations of Social Theory, Cambridge, MA: Belknap Press. Chs. 4 (pp. 65-90) and 7 (pp. 145-174).

Week 10 (November 5, 2014) The Hawthorne Experiments, Its Critics, and Its Modern Reincarnation

A classic field study, actually a pair of studies, marking the beginning of the science of human sentiments in organizational settings and hence of the fields of OB/OT as we

know them. R&D is well worth reading the original, not just the textbook version, as are the critiques.

Required Reading:

Roethlisberger, F. and Dickson, W. (1939). Management and the Worker. Cambridge: Harvard University Press, 1939. Chs. I-VIII (pp.1-186) and XVII – XXIII (pp. 379-548).

Carey, Alex (1967). The Hawthorne studies: A radical critique. American Sociological Review, 32, 403-416.

Jones, Stephen R.G. (1992). Was there a Hawthorne effect? American Journal of Sociology, 98, 451-468.

Bernstein, E. (2012). The Transparency Paradox: A Role for Privacy in Organizational Learning and Operational Control. Administrative Science Quarterly, 57, 181-216.

Week 11 (November 12, 2014) Embeddedness and Social Networks

Three classic versions of network analysis: (1) networks as facilitating or limiting the possibility of economic exchange; (2) network parameters, e.g., centrality, equivalence, holes, conferring or constraining economic advantage; (3) emergent properties of large-scale networks, e.g., small worlds, global cascades.

Required Reading:

Granovetter, Mark (1985). “Economic Action and Social Structure: The Problem of Embeddedness,” American Journal of Sociology, 91: 481-510.

Burt, Ronald S. (1992). Structural Holes. Cambridge: Harvard University Press. Introduction and chs. 1-2 (pp. 1-81).

Burt, Ronald S. (2004). “Structural Holes and Good Ideas,” American Journal of Sociology, 110: 349-399.

Watts, Duncan (2003). Six Degrees: The Science of a Connected Age. New York: W.W. Norton. Chs. 1-3, 7-8 optional (pp. 19-100; 195-252 optional). [*Book—please purchase.*]

Week 12 (November 19, 2014) Attitudes, Attributions, and Ideologies

What are attitudes, how are attitudes measured, when are people open to attitudinal change and when are attitudes frozen into impenetrable ideologies, and how do the

attributions of actors and observers differ? While these questions do not bear directly on management practice, they are extraordinarily important to the political texture of society and hence the business environment. And you may be shaken by the contrast between Converse's account of mass belief systems written in 1964 and belief systems today.

Required Reading:

- Thurstone, L. & Chave, E. (1929). The Measurement of Attitude. Chicago: The University of Chicago Press (focus on Chapters I and III).
- Sherif, C. W., Sherif, M., & Nebergall, R. E. (1965). Attitude and Attitude Change. Philadelphia: W. B. Saunders Co. (pp. 1– 23).
- Heider, Fritz. (1946). Attitudes and cognitive organization. The Journal of Psychology, 21:107-112.
- Converse, Philip E. (2006). The nature of belief systems in mass publics (1964). Critical Review: A Journal of Politics and Society, 18: 1-74.
- Nisbett, R. E., Caputo, C., Legant, P., & Marecek. (1973). Behavior as seen by the actor and as seen by the observer. Journal of Personality and Social Psychology, 27: 154-164.

Optional Reading:

- Heider, F. (1958). Psychology of interpersonal relations, Chapters 1-4.

Week 13 (November 26, 2014) Interpersonal Processes: Facilitation, Influence, and Power

We consider a bundle of related questions: the relationship of cognitive to social organization, social facilitation and task performance, persuasion, the exchange-power-legitimation nexus, and outright obedience. We'll take time to view videos of the Milgram experiment as well as the more disturbing Stanford prison experiment conducted by Philip Zimbardo in 1971.

Required Reading:

- Zajonc, Robert B. (1965). Social facilitation. Science 149: 269-274.
- Homans, C. G. (1958). Social behavior as exchange, American Journal of Sociology, 63: 597-606.

- French, John R. P. & Raven, Bertram. (1959). The bases of social power. In Cartwright (Ed.), Studies in Social Power. Ch. 9 (pp. 150 – 167).
- Blau, P. M. (1968). Exchange and Power in Social Life, pp. 1 – 32; 88 – 142.
- Milgram, Stanley. (1963). Behavioral study of obedience. Journal of Abnormal and Social Psychology, 67: 371-378.
- Cialdini, Robert B. (1993). Influence: The Psychology of Persuasion (revised edition). Chs. 1-7, pp. 1-271. [*Book—please purchase. You will want to read it.*]

Week 14 (December 3, 2014) Explanation in the Social Sciences: Why We are Terrible Empiricists (joint Meyer-Tetlock session)

Two of many questions these works will cause you to ponder: (1) why weather forecasting has improved and economic forecasting hasn't; and (2) why narrative (stories in the guise of theory) plays an outsized role in social science and especially managerial research and what if anything we can do about it.

Required Reading:

- Silver, N. (2012). The Signal and the Noise.
- Watts, D. (2011). Everything is Obvious. [*Please purchase both books.*]
- Tetlock, P. E. & Mellers, B. (2011). Intelligent management of intelligence agencies. American Psychologist.

Week 15 (December 10, 2014) The Challenges of Integrating Micro and Macro Traditions in Management Research; Integration, Debriefing, and Lunch (joint Meyer-Tetlock session).

There is no required reading but there several optional ones, depending on how your interests have evolved up this point. Tetlock particularly recommends the (quite peculiar) McGuire article on creative hypothesis generation—a major challenge you already starting to confront. We both urge you to come prepared to discuss your nominations of most “creative” level-of-analysis-bridging hypotheses encountered in this class or elsewhere.

Optional Readings:

- McGuire, W. J. (1997). Creative hypothesis generating in psychology: Some useful heuristics. In Annual Review of Psychology.

- MacCoun, R. (1998). Biases in the interpretation and use of research results. *Annual Review of Psychology*, 49, 259-287.
- Hackman, J.R. (2003). Learning more by crossing levels: Evidence from airplanes, hospitals, and orchestras. *Journal of Organizational Behavior*, 24, 905-922.
- Pfeffer, J. (1998). Understanding organizations: Concepts and controversies. In Fiske, S., Gilbert, D., & Lindzey, G (eds.), *Handbook of social psychology* (4th ed.). New York: McGraw Hill.
- Staw, B. & Sutton (1992). Macro organizational psychology. In J.K. Murnighan (Ed.), *Social psychology in organizations: Advances in theory and research*. Prentice-Hall.