Economic Sociology: Selected Doctoral Theses

“Collaborating at the Tower of Babel: The Meaning of Cooperation and the Foundations of Long-Term Exchange”

Author: Hagay Volvovsky (2023)
Committee: Ezra Zuckerman (chair), Roberto Fernandes, Robert Gibbons

Abstract:
This dissertation is the first to propose and validate a general process by which exchange partners arrive at a shared understanding of what actions constitute (vs. defection) in changing and complex environments, thereby making cooperation possible. Achieving cooperation in the face of incentives to defect is essential in organizations and markets. Past research has focused on the payoff structure and the resulting risk of defection as a determinant of cooperative outcomes but has failed to explain how exchange partners arrive at shared understandings of what actions constitute cooperation and defection, and why exchanges featuring the same payoff structure sometimes have different cooperative outcomes. I resolve this puzzle and explain how and when exchange partners can coordinate on the meaning of cooperation. I do so by advancing and testing a theory of shared coordination frameworks – developed through long-term exchange – that help exchange partners reach common interpretations of cooperation when unanticipated events inevitably occur. I then provide theoretical clarification for the prevalence of long-term exchange, by demonstrating the causal primary of shared frameworks in actors’ decisions to exchange with long-term partners. I validate these propositions using a novel experimental platform that is the first to manipulate participants’ coordination frameworks and disentangle their effect from the risk of defection and other correlates of long-term exchange. The results indicate that shared coordination frameworks dramatically increase the likelihood of successful cooperation in complex exchanges.

“Essays on the Locus of Learning and Innovation”

Author: Carolyn Fu (2022)
Committee: Ray Reagans (chair), Ezra Zuckerman-Sivan, Catherine J. Turco, Jerker Denrell (Warwick Business School)

Abstract:
This dissertation comprises three essays that explore the locus of learning and innovation in organizations and their environments, and the resulting impact on firm strategy.

The first essay examines how firms can learn from a diverse set of sources. The returns to social learning are expected to be low in contexts rife with interdependencies, where practices from one context may be incompatible with those from another. Using a computational simulation, this essay shows that centralized social learning proves surprisingly robust to this challenge, and that to resolve it, firms should counterintuitively double down on social learning.

The second essay examines how firms can leverage the market for systemic innovation. This is a task typically understood to be best accomplished through vertical integration, where the firm can easily explore alternative resource combinations. However, using a qualitative archival analysis of an opera company and a computational simulation, this paper shows that specialized producers’ reputational concerns lead them to undertake systemic innovation, the value of which a firm can in fact undercut by trying to vertically integrate.

The third essay examines how firms should take audience learning into account during experimentation. While firm learning calls for its experiments to be conducted as separately as possible from their core activities, audience learning (especially in cultural markets) often necessitates their integration in order to properly value an innovation. This essay uses a qualitative archival analysis of a ballet company to elucidate the challenge.
this creates for experimentation, and how firms can address this by strategically choosing their audience, and periodically replacing their experimentation units

“Constructing Entrepreneurial Networks: Evidence from a Mentoring Program”
Author: Ethan Poskanzer (2022)
Committee: Ezra Zuckerman-Sivan (chair), Fiona Murray, Susan Silbey
Abstract:
Entrepreneurs’ social networks are important for explaining why some entrepreneurs are successful when so many others fail. While researchers have identified many impacts of entrepreneurs’ positions in social networks, important questions remain regarding how entrepreneurs’ networks come to be. In this dissertation, I study how entrepreneurs construct social networks using a U.S. accelerator’s mentoring program as a strategic research site. In the first essay, I use an experiment to study how entrepreneurs can be successfully matched to mentors. Even though every entrepreneur had access to the same mentors, different matching processes led some entrepreneurs to form longer-lasting and more beneficial connections than others. This was driven by matching those entrepreneurs to mentors who were better fits for their needs rather than higher quality mentors. These results suggest that how entrepreneurs are matched to advisors can affect a network intervention’s effectiveness and that connecting with advisors who can offer particular, localized help is a more salient friction for entrepreneurs than accessing advisors in general. The second essay examines why entrepreneurs form homophilous social networks. While no evidence indicates that entrepreneurs disproportionately initiate homophilous relationships, homophilous relationships are more likely to be maintained, leading to homophilous networks over time and indicating that homophilous relationships are more beneficial to entrepreneurs. This pattern is imbalanced by gender. Men mentors are disproportionately supportive of male entrepreneurs, leading to inequality by gender in referral attainment. Together, these results indicate that match between an entrepreneur and each of their particular contacts is crucial, and that the process of selecting particular relationships affects which entrepreneurs have productive networks.

“Essays on Organizational Inequality”
Author: Summer Jackson (2021)
Committee: Katherine Kellogg (chair), Ray Reagans, Ezra Zuckerman-Sivan
Abstract:
What are the policies and practices associated with building diverse, equitable, and inclusive (DEI) workplaces? Past studies highlight a combination of demand- and supply-side constraints that create a ‘thin labor market’ for candidates from underrepresented backgrounds. For my dissertation, I conducted a 20-month ethnographic study of DEI initiatives at a fast-growth technology firm (“ShopCo,” a pseudonym). I employed a longitudinal, comparative research design to follow different DEI initiatives and conducted observations, interviews, and analyses of archival materials to explore issues of race, gender, and socio-economic status in the workplace. My dissertation seeks to contribute to our understanding of how and when organizations can attract, hire, and retain individuals from underrepresented backgrounds. In Chapter 1, I examined ShopCo’s efforts to increase representation of racial minorities in technical positions and reveal a previously unrecognized barrier to hiring racial minorities into organizations: repugnant market concerns. In Chapter 2, Basima Tewfik (coauthor) and I theorize on the relationship between microaggressions and systemic prejudice. We offer a precise definition of microaggressions at work and propose how multi-level responses (i.e., target, workgroup, and organization) to microaggressions can intensify and amplify to either inhibit or facilitate organizational progress on addressing systemic prejudice.
“Essays on Status Recognition and its Consequences for Top-Talent Mobility and Productivity”
**Author:** Brittany Bond (2020)
**Committee:** Roberto Fernandez (chair), Emilio Castilla, Erin Kelly, Ezra Zuckerman-Sivan

**Abstract:**
Organizations increasingly rely on status recognition to motivate members toward higher performance. Yet status recognition inevitably invites social comparisons. Although research in organization theory and strategy has focused on the returns to, antecedents of, and relative advantages of status recognition, whether, when, and to what extent bestowing status recognition outweigh the costs of social comparison remain open questions. My dissertation contributes to this scholarship through experimental field and archival research that illuminates the unexpected ways status recognition influences motivation, mobility, and productivity. This leads me to identify, in my first essay, how the preservation of self-image leads employees to make costly employer exits even when there are no material, career, or reputation concerns to nominal status under-recognition. In my second essay, I demonstrate how highly relational managers are more likely to artificially inflate employee performance evaluations, how this overvaluation leads to persistent underperformance, and how structured management can counteract this downside to close managerial relationships. My third essay (coauthored with Ethan J. Poskanzer), demonstrates how specialists’ productivity improves after engaging in tasks that these professionals are recognized as being relatively inexpert in relative to teammates and their area of specialization. The settings I study in this dissertation pertain to professionals operating in high-status organizations: a highly competitive multinational pharmaceutical company and Major League Baseball. Overall, my dissertation contributes to our understanding of how status recognition influences motivation, mobility, and productivity in unexpected ways and among top-talent professionals in particular. This research has implications for organizational and strategy research on social status, motivation, and the management of performance review systems.

“Social Exchange and Valuations in the Market for Contemporary Art”
**Author:** James Whitcomb Riley (2020)
**Committee:** Susan Silbey (co-chair), Ezra Zuckerman-Sivan (co-chair)

**Abstract:**
The first essay draws on 18 months of ethnographic fieldwork to examine the puzzle of why galleries discipline collectors—who provide much-needed financial capital—for appearing too motivated by profit. Whilst art worlds have strong norms that enjoin artists to avoid the naked pursuit of profit and instead affect an air of “disinterestedness” (that is, a concern only for universal virtues and aesthetic qualities such as truth and beauty), why might art dealers demand that collectors similarly conform to such norms? This study addresses how (and why) galleries enforce conformity to the art-world norm of disinterestedness among collectors as part of an array of tactics they deploy to “protect” their artists from price volatility that could depress demand for the artist’s work. The findings suggest a paradoxical resolution. Although galleries framed such discipline as a moral imperative, a key implication of this study is that enforcing a norm that disavows extrinsic rewards such as fortune and fame ultimately supports a profitable business and investment strategy. The second essay (coauthored with Ezra W. Zuckerman Sivan) also draws on an 18-month ethnographic investigation examining the rise and proliferation of International Art Fairs (IAFs) in the global art market. This study contributes to our understanding of how the construction and extension of market platforms shapes market dynamics. On the surface, the explosive growth of IAFs in the contemporary art market reflects the greater efficiency that market platforms typically offer, both for facilitating exchange and for expanding access. But past research on market construction does not prepare us for either of the two main findings of this paper. The first is that market participants (and especially the mid-size galleries that dominate the fairs) are deeply ambivalent about the fairs’ value relative to the cost of participation. The second main finding—that galleries (and others) believe they must participate in order to be visible in the market—affords insight into how markets vary in their visibility.
and opacity; how such variation shapes status competition; and how markets that are designed to increase efficiency may have the unintended consequence of exposing and thereby cementing hierarchy.

Author: Laurel Grassin-Drake (2019)
Committee: Donald Lessard (chair), Ezra Zuckerman-Sivan, Eleanor Westney
Abstract:
In this thesis, I investigate the challenges of global integration in the context of a large global components manufacturer (CC) who closely interacts with a small number of similarly global customers.

First I draw on a unique data set: observations spanning thirteen months of the weekly virtual meeting of the global account team responsible for the largest customer. I examine the process of external organizational identity construction of the ‘other’ in the context of a close, dependent relationship, characterized by multiple boundary-crossing links across space and time. I find that in constructing the customer’s global organizational identity (OI) the team is also co-creating their own global OI. Further, the processes by which the team constructs the customer’s OI to answer the question ‘who are they?’ parallels well-documented internal processes used by organizational members to answer ‘who are we?’ The results demonstrate that in such close organizational relationships, identity processes answering the questions ‘who are they?’ and ‘who are we?’ inextricably co-constitute each other, making it problematic to privilege the insider view of OI over the outsider view.

In addition, when the OI of the ‘other’ appears to be incoherent, results show that a dependent, external stakeholder, despite being effectively unable to exit the relationship, can still activate voice to enforce the OI of the ‘other.’ The range of voice mechanisms notably includes using the customer’s hierarchy from outside to discipline and shape the customer’s behavior from within. The strength of the intervention is associated with identity threat and the ability to exercise voice. In the case of CC, a fundamental breakdown in the customer’s global hierarchy disabled their ability to exercise effective voice. Instead, they accepted the new state, despite its high identity threat, and defaulted to loyalty and adaptation as the only option.

I also go beyond the experience of this single team to examine the broader role of global management teams and virtual meetings for cross-regional control, coordination and collaboration at the firm, and the challenge posed by differential time zones. Results reveal that time differences should be treated as a social variable embedded in local standards and norms, or “temporalities.” In addition, I demonstrate that collectively agreed norms of ‘sleep time’ significantly limit the firm’s ability to integrate globally and generate structural disadvantages for specific geographies. Moreover, while technology ameliorates geographic distance, it amplifies the problem of time. Thus it is vital that geographic distance and time be separately modelled and theorized in international business research.