

Course title: Organizational Behaviour, Collective Mind and Leadership

Lecturer: Guido Fioretti

Information about the lecturer:

Guido Fioretti, MSc Engineer and PhD Economist, is a lecturer of Organization Science at the University of Bologna (Italy), Department of Management Science. He has been rated among the top 10% researchers of his University.

Time schedule and course outline

This course will take place from July 16th to July 29th, 2015. On each of these days there will be lectures 9-12 am. The default option is 3 blocks of 45 min lectures with 15 min pauses in between, but different arrangements can be negotiated also depending on course topics.

In the afternoon of the first day, students will be encouraged to watch a movie. Later on, will be simply invited to think of a case-study for the concepts that have been discussed in class in the afternoon. This activity is not compulsory, but students who thought of a case-study may discuss it in class, or write it and circulate among other students if they wish to do so.

Technicalities will be avoided during morning lectures. However, complex mathematical and computational tools exist for some of the issues touched in this course. The lecturer will be available in the afternoon for the technically minded students who wish to deepen their expertise. However, this additional learning opportunity does not affect final evaluation in any way.

On several lecture days, students will be invited to bring their laptops to class. In particular, students are invited to bring their laptops to class on the very first day.

Henceforth a detailed day-by-day description of this course.

Important notice regarding compulsory literature

All reading material is available for free, except for two books: Denning's *The Springboard* and Klein's *Sources of Power*. These books are available in the University library, but only in limited amounts.

In order to ease students' life, the lecturer prepared commented summaries that are available for free. The choice between reading the original books or their commented summaries is left to students. It has no consequence on their evaluation.

Day 1, July 16th

Subject

Group decision-making as games or narratives construction. Logic of consequences and logic of appropriateness.

Utility maximization and Game Theory: A few games will be briefly illustrated, including equilibrium games and the minority game (a far-from-equilibrium game). The shortcomings of utility maximization will be illustrated, with emphasis on experiments highlighting that preferences are created at the same time decision is made.

The results of several experiments will be illustrated, that highlight that decisions are made by emphasizing the positive aspects of one choice. It will be shown that this understanding of decision-making blurs the difference between individual and collective decisions, for both are viewed as construction of narratives.

Compulsory Literature

1. Fioretti, G. (2013) *Utility, Games, and Narratives* (please skip §§ 2.2–2.8, 3.1–3.2, 4.1–4.2, 4.4, 5.1, 6 all). Working Paper available at http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1462693.
2. Download and install the *NetLogo* platform, available at <<https://ccl.northwestern.edu/netlogo>>. Within *NetLogo*, follow the path File -> Models Library -> Social Science and open the *El Farol* model.
3. March, J.G. (1994) *A Primer on Decision Making* (only pp. 57-71). NY, The Free Press.
4. Fioretti, G. (2012) Either, Or: Exploration of an Emerging Decision Theory. *IEEE Transactions on Systems, Man and Cybernetics*, 42: 854-864 (please skip § 4).

Optional Literature

1. Fioretti (2012), the whole paper.
2. Fioretti (2013), the whole paper.

Assignment

I would suggest that in the afternoon of Day 1 students watch the movie *12 Angry Men*, 1957. Directed by S. Lumet, with H. Fonda. This is not a compulsory assignment.

Day 2, July 17th

Subject

The first hour of the morning of Day 2 will be devoted to a rehearsal of the concepts expounded on Day 1 and a general discussion of the meaning and the structure of this course.

In the remaining 2 hrs, the *Garbage Can Model* (GCM) of organizational decision-making will be introduced. Emphasis will be laid on the fact that, in the GCM, 'solutions' exist independently of 'problems', and that 'solutions' are not in the decision-makers' minds. The GCM will be presented as a stylized model of decision-making picking up possible narratives.

Compulsory Literature

1. Fioretti, G. and Lomi, A. (2010) Passing the Buck in the Garbage Can Model of Organizational Choice. *Computational and Mathematical Organization Theory*, 16: 192-217.

Optional Literature

1. Cohen, M.D., March, J.G. and Olsen, J.P. (1972) A Garbage Can Model of Organizational Choice. *Administrative Science Quarterly*, 17: 1-25.
2. Levitt, B. and Nass, C. (1989) The Lid on the Garbage Can: Institutional Constraints on Decision Making in the Technical Core of College-Text Publishers. *Administrative Science Quarterly*, 34: 190-207.
3. Mezias, S.J. and Scarselletta, M. (1994) Resolving Financial Reporting Problems: An institutional analysis of the process. *Administrative Science Quarterly*, 39: 654-678.

Assignment

With day 2, I expect students to start using their afternoons to think or write short case-studies, or stories, that connect the concepts discussed in the previous mornings to their own experiences, or experiences of their acquaintances, or stories they read on a newspaper, or even fully invented but plausible stories. These case-studies may be discussed in class, depending on their length and number.

I shall encourage students to focus on details rather than general considerations. I prefer them to think to the details of the football club where they play rather than telling all the nice 'general principles' they heard about fashionable companies.

Linkages between case-studies conceived by different students will be encouraged.

Day 3, July 20th

Subject

With day 3, the GCM will be completed. Hierarchical structures will be added to the basic GCM. The consequences of different distributions of abilities will be explored. Students will be made aware that managerial abilities may be more focused on getting legitimation for an organization rather than solving its problems. Links with the 'Peter Principle' will be made. In this lecture, students will experiment with the GCM on their own laptops.

Compulsory Literature

1. The code for the GCM. Available at < <http://www.cs.unibo.it/~fioretti/CODE/GC>>. Please download 'FiorettiLomi_buck' and run it in *NetLogo*

Optional Literature

1. Peter, L.J. and Hull, R. (1969) *The Peter Principle: Why things always go wrong*. NY, William Morrow & Co.
2. Fioretti, G. (2012) *Garbage Can Ecologies: An Agent-Based Exploration*. In *The Garbage Can Model of Organizational Choice: Looking Forward at Forty*, ed. by A. Lomi and J.R. Harrison, Ch. VI: 141-164. Bingley, Emerald Group Publishing.

Assignment

As in the previous day.

Day 4, July 21st

Subject

The morning lecture of day 4 will be devoted to organizational routines. First, it will be hinted that the 'solutions' of the GCM can also be understood as organizational routines. Subsequently, routines will be presented as patterns of actions that involve several organization members and that repeat themselves because they are placed in a loop.

Hutchins's case study of the routines developing among the officers of a military ship experiencing power failure while entering a harbor will be examined in detail. A parallel will be drawn between routines in organizations and information loops in brains. The principles of connectionism will be expounded and discussed.

Finally, students will be made aware that routines are at the bottom of the 'organizational ecology' approach. This approach will not be mentioned in order to investigate organizational ecologies, but only in order to introduce students to a vision of leadership as a collective outcome rather than personal abilities.

Compulsory Literature

1. Hutchins, E. (1991) *Organizing Work by Adaptation*. *Organization Science*, 2: 14-39.
2. Fioretti, G. (2015) *A Connectionist View of Organizational Routines*. Lecture Note

Optional Literature

1. Clark, A. (1993) *Associative Engines*. The MIT Press.
2. Hayek, F.A. (1952) *The Sensory Order*. London, Routledge & Kegan Paul.
3. Hebb, D.O. (1949) *The Organization of Behavior*. NY, John Wiley & Sons.
4. Kohonen, T. (1988) *Self-Organization and Associative Memory*. Berlin-Heidelberg, Springer Verlag.
5. Smolensky, P. (1988) On the Proper Treatment of Connectionism. *Behavioral and Brain Sciences*, 11: 1-74.

Assignment

As in the previous day.

Day 5, July 22nd

Subject

The morning lectures of day 5 will be devoted to organizational learning understood as formation of routines. This concept will be introduced by means of the organizational learning curve, i.e. the decrease of production time with cumulative production caused by the emergence of routines.

Subsequently, examples of organizational learning will be discussed with the aim of identifying the factors that make for a learning team. The concepts of ‘mind reading’ and ‘team cognition’ will be introduced.

Finally, the issue of team “meta-cognition” or “double-loop learning” will be approached.

Compulsory Literature

1. Fioretti, G. (2011) From Men and Machines to the Organizational Learning Curve. Working Paper available at http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1524332.
2. Klein, G. (1999) *Sources of Power: How people make decisions* (only pp. 215-257). Cambridge (MA), The MIT Press. Alternatively, students can access a free commented summary prepared by the lecturer.
3. Argyris, C. and Schoen, D.A. (1978) *Organizational Learning: A theory of action perspective* (only pp. 30-39, 208-215). Reading, Addison-Wesley Publishing Company.

Optional Literature

1. Gao, D., Deng, X. and Bai, B. (2015) Multi-Agent Based Simulation of Organizational Routines on Complex Networks. *Journal of Artificial Societies and Social Simulation*, forthcoming.
2. Huberman, B.A. (2001) The Dynamics of Organizational Learning. *Computational and Mathematical Organization Theory*, 7: 145-153.
3. Argyris and Schoen (1978), the whole book.

Assignment

As in the previous day.

Day 6, July 23rd

Subject

The morning lecture of day 6 will be devoted to the size of human groups. It will be argued that human beings create mental work for their bounded rationality even if little or no task is assigned to them. Thus, independently of task, the maximum size of a team depends on structures of interactions that simplify the mental load on participants.

The empirical evidence on the size of human groups will be reviewed. Dunbar's calculations on the maximum number of acquaintances will be discussed.

Compulsory Literature

1. Fioretti, G. (2015) *How Many Acquaintances Do You Entertain?* Lecture Note.
2. Fioretti, G. (2015) *On the Maximum Size of Human Groups.* Lecture Note.

Optional Literature

1. Bakeman, R. and Beck, S. (1974) The Size of Informal Groups in Public. *Environment and Behavior*, 6 (3): 378-399.
2. Dunbar, R. (1998) The Social Brain Hypothesis. *Evolutionary Anthropology*, 6 (5): 178-190.

Assignment

As in the previous day.

Day 7, July 24th

Subject

The morning lecture of Day 7 will be devoted to Bion's psychodynamics of human groups. Bion's insights will be related to the size of human groups and complemented by examples in businesses and elsewhere.

Day 7 marks the end of all concepts to be discussed before approaching business narratives and leadership. Thus, the final part of the morning lecture of Day 7 will also be devoted to the discussion of students' case-studies.

Compulsory Literature

1. Fioretti, G. (2015) *Bion's Basic Assumptions.* Lecture Note.

2. Atherton, J.S. (2011) BA Dependence, available at <http://www.learningandteaching.info/teaching/groups_bad.htm>, and Other BAs, available at <http://www.learningandteaching.info/teaching/groups_other_bas.htm>.
3. Fioretti, G. (2015) *Functional and Dysfunctional Basic Assumptions*. Lecture Note.
4. Kets de Fries, M.F.R. and Miller, D. (1984) *The Neurotic Organization* (only pp. 54-70). San Francisco, Jossey-Bass.
5. Fioretti, G. (2015) *A Case-Study of Judicious Usage of Basic Assumptions: Alcoholics Anonymous*. Lecture Note.

Optional Literature

1. Bion, W.R. (1961) *Experiences in Groups*. London, Tavistock Publications.
2. Kets de Fries, M.F.R. and Miller, D. (1984) *The whole book*.

Assignment

As in the previous day.

Day 8, July 27th

Subject

In the morning lecture of Day 8, business narratives will be introduced. This will be an opportunity to link to the lecture of Day 1, pulling threads together.

The nature of business narratives will be discussed, as well as their usefulness in order to provide organizations with a vision. Springboard-stories are illustrated as the most useful type of business narrative. An example of narrative construction at World Bank will be discussed.

Finally, videos will be analyzed, which expound the narratives of two prominent CEOs: Steve Jobs (Apple Computers) and Steve Ballmer (Microsoft).

Compulsory Literature

1. Callahan, S. (2009) *Why Some Leaders Inspire Action While Others are Mostly Forgettable: The vital role of storytelling*. Anecdote White Paper, available at <http://www.anecdote.com.au/papers/VitalRoleOfStorytelling_1.pdf>.
2. Fioretti, G. (2015) *Narratives, Coherence and Vision*, Lecture Note.
3. Denning, S. (2011) *The Springboard. How Storytelling Ignites Action in Knowledge-Era Organizations* (only pp. 1-52, 71-104). London and NY, Routledge. Alternatively, students can access a free commented summary prepared by the lecturer.
4. Video: Steve Jobs Stanford Commencement Speech 2005. Available at <<https://www.youtube.com/watch?v=D1R-jKKp3NA>>.
5. Video: The Best of Steve Ballmer. Available at <<http://www.youtube.com/watch?v=e8M6S8EKbnU&feature=fvwrel>>.
6. Video: Steve Jobs and Steve Ballmer. Available at <<http://www.youtube.com/watch?v=dR8SAFRBmcU>>.
7. Video: Steve Ballmer Crying On Stage. Available at <<https://www.youtube.com/watch?v=CYKFcwrHmi0>>.
8. Video: Steve Jobs Talks About Managing People. Available at <<https://www.youtube.com/watch?v=f60dheI4ARg>>.

Optional Literature

1. Denning, S. (2011) *The Springboard. How storytelling Ignites Action in Knowledge-Era Organizations*. London and NY, Routledge.
2. Lane, D.A. and Maxfield, R.R. (2005) Ontological Uncertainty and Innovation. *Journal of Evolutionary Economics*, 15: 3-50.

Assignment

As in the previous day.

Day 9, July 28th

Subject

Day 9 addresses crossing areas between business narratives and leadership. Stories circulate in organizations, that can either take a positive or a negative tone. Influencing the development and diffusion of narratives is a key attribute of leadership. March's suggestions for leaders are revisited in the light of contemporary knowledge of business narratives.

The final part of the lecture will be devoted to the discussion of the best case-studies thought or written by students as afternoon assignments. This discussion will provide a guidance to the longer case-study students will write for their exam.

Compulsory Literature

1. Martin J., Feldman M.S., Hatch M.J. and Sitkin S.B. (1983) The Uniqueness Paradox in Organizational Stories (please skip discussions on credits and methodology). *Administrative Science Quarterly*, 28: 438-453.
2. Shenk, M. and Bishop, K. (2011) *Tackling Anti-Stories*. Anecdote White Paper, available at <http://www.anecdote.com/papers/Anecdote_Tackling_Anti-stories.pdf>.
3. Fioretti, G. (2014) *Summary and Schemes in Cohen and March's 'Leadership and Ambiguity', Ch. IX: 'Leadership in Organized Anarchies'*. Lecture Note.

Optional Literature

1. Cohen, M.D. and March, J.G. (1974) *Leadership and Ambiguity: The American College President*. NY, McGraw-Hill. Ch. IX (pp. 195-215): Leadership in an Organized Anarchy.

Assignment

As in the previous day.

Day 10, July 29th

Subject

The morning lecture of Day 10 will be devoted to the topic of leadership. The psychotic nature of the belief that leadership consists of issuing orders will be discussed. The classic experiments by Lippitt and Lewin will be illustrated. Change management and the constructive role of ambiguous speech will be discussed.

The final part of the lecture will be devoted to discussing students' case-studies, pulling all threads together and preparation for the exam.

Compulsory Literature

1. Fioretti, G. (2015) *The Psychoanalysis of Leadership*. Lecture Note.
2. Fioretti, G. (2015) *Introduction to Lippitt and Lewin's Experiments*. Lecture Note.
3. Lewin, K. (1948) *Resolving Social Conflicts* (only Ch. V, pp. 74-83). NY, Harper & Row 1948.
4. Fioretti, G. (2015) *Creativity and Ambiguity*. Lecture Note.
5. Nonaka, I. and Takeuchi, H. (1995) *The Knowledge Creating Company* (only pp. 11-14). Oxford, Oxford University Press.

Optional Literature

1. Kets de Fries, M.F.R. (1989) *Prisoners of Leadership*. NY, John Wiley & Sons.
2. The Video of Lippitt and Lewin's Experiments. Available at <https://www.youtube.com/watch?v=J7FYGn2NS8M>.

Assignment

I would suggest that in the afternoon of Day 10 students watch the movie *Trading Places*, 1983. Directed by J. Landis, with E. Murphy and D. Aykroyd.

This is not a compulsory assignment.