

## Soc 190 – Sociology of Entrepreneurship – Spring 2014

Professor Heather A. Haveman

Tuesdays 4:00-6:00pm, 402 Barrows

Office hours Thursdays 4:00-6:00pm in 494 Barrows – signup sheet on office door

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**Course objectives.** All around us, the media are discussing the “new economy,” the second “dot-com” era, and, more generally, the culture of entrepreneurial capitalism that pervades our society. Advice and how-to courses on entrepreneurship abound, but more critical perspectives are often lacking. This course is an introduction to the social-scientific view of entrepreneurship, with a special focus on how sociologists analyze this phenomenon. Its goals are (1) to familiarize you with major perspectives on entrepreneurial activity and (2) to develop your skills in applying insights from these perspectives to empirical case studies.

The course considers a range of issues: Why and how are startup organizations created? When do entrepreneurs work with others and when do they go it alone? Who reaps the rewards (or suffers the costs) of entrepreneurial efforts? How do environments influence entrepreneurship and innovation? What is the broader role of entrepreneurship and innovation in modern society?

The literature on entrepreneurship has been distinguished from the outset by the diversity of its subject matter. It is also distinguished by the diversity of backgrounds of those who write in this field. While we will delve most deeply into the work of sociologists, we will also examine research by historians, psychologists, geographers, and economists.

**Class culture and standards of behavior.** The Sociology 190 classes are seen as a capstone to your career at Berkeley. We want to give each of you a chance to be in a relatively small class that is focused on an interesting topic where you get to read cutting-edge material. This course is a seminar, not a lecture course. Therefore, you are expected to read the assigned materials closely and be prepared to discuss them in depth.

The goal is for you to understand more carefully what research is and how scholars operate in their debates with one another. Scholarly debates are often contentious. Scholars often have organized a literature focused on a problem and try and make theoretical and empirical interventions in order to advance the literature. One goal of such efforts is to “test” theories, usually against each other. Another is to advance a sociological account of some important social facts. I have chosen readings that try and raise big issues, review large literatures, and produce some theoretical or empirical conclusion. They are not all easy to read and you may not always understand what the author is saying on first reading.

**Assignments and grading.** Beyond doing the readings and participating actively in class discussion, you will help to lead the class discussion one week, write several brief critical evaluations of the readings, write an original research paper on a topic of your choice, and present your paper’s findings to your peers. Let me motivate the assignments.

The purpose of class is to collectively puzzle out what the authors are trying to say. My intention is to lecture the first day of class but after that, I want to work to facilitate a discussion where a large number of you participate every week. I have chosen works that are sometimes complementary,

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sometimes contradictory. Your assignment is to figure out what the big issues are, what opinions the authors hold, determine whether or not you think the authors has convinced you that they are right. But before you can do this, you have to be confident you understand the argument the authors are making.

Seminars can be an efficient way for groups of students to air out their questions about readings, try out interpretations of arguments, and deepen their individual and collective understanding of the texts. To facilitate discussion and get more student participation, I will ask students to lead one of our nine class discussions. At our first class, I will ask students to sign up for one of the discussions. Your successful participation in being part of leading a discussion will count for 10% of your grade.

I will also ask each of you to write me a paragraph on four of the readings. Each of the memos will count as 5% of your grade for a total of 20% of your grade. These should be one to two pages long (double spaced) responses to the readings submitted by the end of the class on weeks of your choosing. In a reading memo, I will ask you to take one or more of the readings for a particular week, explicate a point of interest, perhaps juxtapose the readings if they offer different viewpoints, offer some criticism, or use them to reflect on a real life situation. **Three of the four reading memos are due before spring break.**

The last three weeks of class will be set up for students to make presentations on their papers, which will count for 10% of your grade.

The most important assignment in the class is the research paper, accounting for 60% of your grade. I will ask you to work on the paper over the course of the semester. You will prepare a memo outlining the topic of your research paper, due in class on February 18, which will count for 5% of your grade. You will prepare a second memo with a list of your bibliographic references, due on March 11, which will also count for 5% of your grade. I want to see a rough draft of your paper on April 15, which you should hand at the start of class. A final version of your paper will be due in my mailbox in 410 Barrows Hall on **Monday, 5 May by 4pm**. It will count for 45% of your grade. For each research paper assignment, there will be a single grade reduction (e.g., B+ → C+) for every day the assignment is late.

The table below summarizes the assignments, the weight for each, and due dates.

<b>Requirements</b>	<b>Weight</b>	<b>Due Date</b>
Lead seminar discussion	10%	Classes 2-10
Four reading memos (5% each)	20%	Classes 2-10
Presentation of student research papers	10%	Classes 12-14
Research paper memo – outline	5%	Class 5 – 18 Feb.
Research paper memo – bibliography	5%	Class 8 – 11 Mar.
Research paper – rough draft	5%	Class 12 –15 Apr.
Research paper – final	45%	Mon. 5 May, 4pm

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### 1. Tues. 21 Jan. Introduction

### 2. Tues. 28 Jan. The (mostly economic) history of entrepreneurship

Gerschenkron, Alexander. 1968 [1997]. The modernization of entrepreneurship. In Richard Swedberg, ed., *Entrepreneurship: The Social Science View*: 129-138. New York: Oxford University Press.

Chandler, Alfred D. 1959. The beginnings of “big business” in American history. *Business History Review*, 33 (1): 1-31.

Graham, Margaret B.W. 2010. Entrepreneurship in the United States, 1920-2000. In David S. Landes, Joel Mokyr, and William J. Baumol, eds., *The Invention of Enterprise: Entrepreneurship from Ancient Mesopotamia to Modern Times*: 401-442. Princeton, NJ: Princeton University Press.

Berlin, Leslie. 2011. Robert Noyce and Fairchild Semiconductor, 1957-1968. *Business History Review*, 75 (1): 63-101.

### 3. Tues. 4 Feb. Economic models of entrepreneurship

Schumpeter, Joseph. 1934 [1983]. *The Theory of Economic Development: An Inquiry into Profits, Capital, Credit, Interest, and the Business Cycle*. (Translated by Revers Opie.) New Brunswick, NJ: Transaction Publishers. Chapter 2, “The fundamental phenomenon of economic development,” pp. 56-94.

Schumpeter, Joseph A. 1942. *Capitalism, Socialism, and Democracy*. New York: Harper and Row. Chapter VII, “The process of creative destruction,” pp. 81-86, and Chapter XII, “Crumbling walls,” pp. 131-139.

Shane, Scott. 1996. Explaining variation in rates of entrepreneurship in the United States: 1889-1988. *Journal of Management*, 22: 747-781.

### 4. Tues. 11 Feb. The classic sociological perspective: Max Weber on the Protestant ethic

Weber, Max. 1904-05 [1958]. *The Protestant Ethic and the Spirit of Capitalism*. (Translated by Talcott Parsons.) New York: Charles Scribners’ Sons. Excerpts: pp. 47-57, pp. 87-92, pp. 180-183.

Weber, Max. 1978. *Economy and Society: An Outline of Interpretive Sociology*. (Translated and edited by Guenther Roth and Claus Wittich.) Berkeley: University of California Press. Chapter II, “Sociological categories of economic action,” section 11, “The concept and type of profit-making: The role of capital,” pp. 90-100.

Jonassen, Christen T. 1947. The protestant ethic and the spirit of capitalism in Norway. *American Sociological Review*, 12 (6): 676-686.

Wolfe, Tom. 1983. The tinkering of Robert Noyce: How the sun rose on the Silicon Valley. *Esquire*, December: 346-374.

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### 5. Tues. 18 Feb. Psychologists build on Weber

- McClelland, David C. 1961. *The Achieving Society*. New York: Free Press. Chapter 2, "The achievement motive," pp. 36-62, and chapter 6, "Entrepreneurial behavior," pp. 205-258.
- Atkinson, J.W. 1957. Motivational determinants of risk taking behavior. *Psychological Review*, 64 (6, pt 1): 359-372.
- Brockhaus, Robert H. 1980. Risk taking propensity of entrepreneurs. *Academy of Management Journal*, 23: 509-520.
- Xu, Hongwei, and Martin Ruef. 2004. The myth of the risk-tolerant entrepreneur. *Strategic Organization*, 2: 331-355.

### 6. Tues. 25 Feb. Social structure and entrepreneurship

- Stinchcombe, Arthur L. 1965. Social structure and organizations (selections from this chapter). In J. March, ed., *Handbook of Organizations*: 142-164. Chicago: Rand-McNally.
- Johnson, Victoria. 2007. What is organizational imprinting? Cultural entrepreneurship in the founding of the Paris Opera. *American Journal of Sociology*, 113: 97-127.
- Haveman, Heather A., Jacob Habinek, and Leo A. Goodman. 2012. How entrepreneurship evolves: The founders of new magazines in America, 1741-1860. *Administrative Science Quarterly*, 57: 585-624.

### 7. Tues. 4 Mar. Networks and collective action

- Saxenian, Annalee. 1997. The origins and dynamics of production networks in Silicon Valley. In Richard Swedberg, ed., *Entrepreneurship: The Social Science View*: 308-331. New York: Oxford University Press.
- Renzulli, Linda A., Howard E. Aldrich, and James Moody. 2000. Family matters: Gender, networks, and entrepreneurial outcomes. *Social Forces*, 79 (2): 523-546.
- Stuart, Toby E., and Waverly W. Ding. 2006. When do scientists become entrepreneurs? The social structural antecedents of commercial activity in the academic life sciences. *American Journal of Sociology*, 112: 97-144.
- Bilton, Nick. 2013. All is fair in love and twitter. *New York Times Sunday Magazine*, 9 October.

### 8. Tues. 11 Mar. The culture of entrepreneurship: Legitimacy and institutional logics

- DiMaggio, Paul J. 1982. Cultural entrepreneurship in nineteenth-century Boston: The creation of an organizational base for high culture in America. *Media, Culture, and Society*: 4: 33-50.
- Lounsbury, Michael, and Mary Ann Glynn. 2001. Cultural entrepreneurship: Stories, legitimacy, and the acquisition of resources. *Strategic Management Journal*, 22 (6/7): 545-564.
- David, Robert J., Wesley D. Sine, and Heather A. Haveman. 2013. Seizing opportunity in emerging fields: How entrepreneurs legitimated the professional form of management consulting. *Organization Science*, 24 (2): 356-377.

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### 9. Tues. 18 Mar. Existing organizations spawn new ones

Freeman, John. 1986. Entrepreneurs as organizational products. In G. Libecap, ed., *Advances in the Study of Entrepreneurship, Innovation, and Economic Growth*, 1: 33-52. Greenwich, CT: JAI Press.

Shane, Scott, and Rakesh Khurana. 2003. Bringing individuals back in: The effects of career experience on new firm founding. *Industrial and Corporate Change*, 12: 519-543.

Kacperczyk, Aleksandra. 2013. Social influence and entrepreneurship: The effect of university peers on entrepreneurial entry. *Organization Science*, 24 (3): 664-683.

\*\*\*\*\* Spring Break Mon. 24 - Tue. 28 Mar. No class Tues. 25 Mar. \*\*\*\*\*

### 10. Tues. 1 Apr. Gender and entrepreneurship

West, Candace, and Don H. Zimmerman. 1987. Doing gender. *Gender and Society*, 1: 2: 125-151.

Bruni, Attila, Silvia Gherardi, and Barbara Poggio. 2004. Doing gender, doing entrepreneurship: An ethnographic account of intertwined practices. *Gender, Work and Organization*, 11 (4): 406-429.

Thébaud, Sarah. 2010. Gender and entrepreneurship as a career choice: Do self-assessments of ability matter? *Social Psychology Quarterly*, 73 (2): 288-304.

### 11. Tues. 8 Apr. Entrepreneurship: The Bay Area Experience

Today, we will meet a real, live entrepreneur: Shireen Taleghani Yates, founder of 6sensorlabs.com.

Background readings for her visit: incubators and venture capitalists

Hansen, Morten T., Henry W. Chesbrough, Nitin Nohria, and Donald N. Sull. 2000. Networked incubators: Hothouses of the new economy. *Harvard Business Review*, Sept.-Oct.: 74-84.

Colao, J.J. 2012. Eight reasons startup incubators are better than business school. *Forbes*, 1 January.

Aldrich, Howard E., and Martin Ruef. 2006. *Organizations Evolving, 2<sup>nd</sup> Edition*. Thousand Oaks, CA: Sage. Section on sources of capital for entrepreneurs, pp. 84-90.

Mulcahy, Diane. 2013. 6 myths about venture capitalists. *Harvard Business Review*, May: 80-83.

### 12. Tues. 15 Apr. Student presentations of research papers

### 13. Tues. 22 Apr. Student presentations of research papers

### 14. Tues. 29 Apr. Student presentations of research papers; wrap-up

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### How to Read Difficult Materials and Prepare for Class Discussion

Many of the readings are difficult. The selections are long and we are going to cover an enormous amount of material in a very short period of time. Therefore, I suggest you try to keep ahead of the readings. I ask that you come to class with at least one question or opinion on one of the readings. I may call on students to come forth with their questions/opinions.

As you read, you should think about: 1) what is the author's argument? 2) does it make sense? 3) how does it fit in with the other things we have read? Consider the following questions as you read the text.

1. With whom is the author arguing?
2. What is the position the author is arguing for?
3. How would we use this argument to understand other phenomena?

After reading each text, you should summarize the main argument. If you do not understand it, you should try to come to class and frame your question about it to the group.

### How to Structure a Class Discussion

At each class, there will be two or three students who will act as facilitators for the discussion. When your turn comes, I ask that you and your partner(s) write out a set of issues you would like to discuss and offer a division of questions for yourselves. You should follow the questions I have set up above to structure your discussion of the texts. If you would like, I would be pleased to try and meet with you to help you construct such questions. This preparation is a bit more intense than just reading the work, but the two activities are related.

**Hint:** If you read as I suggest above and if you have to prepare to lead a group discussion, you will have enough material to do a short reading memo. You can write about one or more of the readings for the day you are supposed to facilitate the discussion.

### Research Paper

The main assignment for this class is to do in-depth research on a topic of interest to you around the theme of entrepreneurship. The goal is for you to produce a 12-15 page paper that will pose a research question, delve into the relevant literature and lay out the various theoretical positions, assess some of the empirical results, and answer your research question.

I do not expect you to do original empirical work – you do not need to directly observe or interview people, collect survey data, conduct experiments, or spend time in archives. Depending on the project you choose, it might be possible to gather some original data, but it is certainly not necessary. Instead, I want you to read the relevant scholarly literature on the topic in which you are interested. This means finding the literature and reading both the theoretical and empirical work. To make this assignment more concrete, let me walk you through the steps of the project.

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**Choosing a research topic.** The most difficult task most of you will have is to decide to choose a topic that is narrow enough for you to research but interesting enough that you can do something of interest to you. I want you to begin to frame your project by the third week of class. By that point, you will just have begun to read about entrepreneurship, but you can certainly read ahead in the course and dip into later readings if the topic headings are particularly interesting to you.

The assignment due in class on February 18 should be 1-2 pages long, double-spaced. It should start with a paragraph describing your research question. Phrase your question as succinctly as possible – ideally in 25 words or less. The important thing is to make an attempt at moving from an “area of research” or a “topic” to a research question, a statement of a specific puzzle to be solved or question to be answered by your research. Explain why your research question is important and what theoretical implications it might have. If you have already done some reading, discuss briefly how your ideas fit in with what you have read so far. Consider what different sociological literatures might be relevant to your project. What argument would you like to be able to make? Thinking about this can be a useful way of getting your agenda out into the open.

If you are having difficulty with this assignment, you should come by and sign up for my office hours. There is a signup sheet on my office door.

**Conducting a literature review.** The next step is to gather together the relevant literature. I ask that you find at least five reference works for your project. These works can be academic books, academic papers, or reports by governments and other kinds of organizations. Newspapers, blogs, and books written by journalists do not count as citations, although you should feel free to use such sources to provide context for your research question. Your literature review should include the author, the title of the work, the journal in which it was published (if it is an article), and a sentence or two on its relevance to your paper. This assignment should be 1-2 pages, double-spaced. It will be due in class on March 11.

I can help you find literature for most topics you might dream up. Feel free to use whatever sources you can find. Google Scholar is a good place to start. If you have never conducted a literature review before, you can get help from the university librarians. Many of the topics you are likely to research have been extensively researched. The challenge will be cutting back your topic and gaining some control over the literature.

**Final paper structure.** The final paper should have a title page (1 page), contain an introduction motivating the paper (2-3 pages), present the relevant research summary (8-10 pages), a short conclusion (1-2 pages), and your bibliography (1-2 pages). You should include a bibliography using standard journal formats. Citations in the text should use journal format (i.e. Jones, 1998). Please use footnotes sparingly.

Your rough draft should follow this format as well.

**Help with writing.** If you’re having trouble with the act of writing itself, I recommend that you download this excerpt from a very helpful book and read it: Howard, V.A., and J.H. Barton. 1988.

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*Thinking on Paper*, chapters 1 and 2. New York: William Morrow & Co. The excerpt is on the course's bspace page.

### Oral Presentation

There will be up to 25 students in this class. We will have three weeks of class time for student presentations (330 minutes in total). This means that each of you will have only 10-12 minutes to present your research paper. I ask that you talk for 5-8 minutes and then leave a few minutes for questions and discussion.

A good presentation will have the following structure.

- 1) Introduction. In a paragraph or two, you should tell your audience what your question is, what your hypotheses are, and why your question is interesting. If your research is more exploratory than causal, explain that. Then you should give your audience some idea as to what your research found – how you are answering your question – how you are testing your hypothesis or what you are finding in your exploration. The introduction should take 2-3 minutes.
- 2) Data and methods. It is useful to briefly tell your audience what you are doing and how you are trying to get at your question. Obviously, you cannot go into very much detail – plan on spending 3-5 minutes.
- 3) Conclusion and discussion. You should end by returning to your original research question. What are the implications of what you are finding for thinking about your research question? This should take 1-2 minutes.

I suggest that you prepare for your presentation by writing out what you want to say. It is also useful to practice your talk by giving it to yourself, once or twice, and timing it.