

The Sociology of Entrepreneurship

Sociology 359, Spring 2018

Instructor: Professor Tiantian Yang; Soc / Psych Building 253
(ty41@duke.edu); office phone # (919) 660-5760

Course Hours: WF 4:40PM - 5:55PM
Course Location: Soc / Psych Building 129

Office Hours: TTh, 11:00 AM - 12:00 PM (or by appointment)

Course Description

All around us, media and pundits emphasize the importance of a “new economy”, an “ownership society”, another “dot-com” era, and, more generally a culture of entrepreneurial capitalism. Advice and courses on entrepreneurship abound, but more critical perspectives are sometimes lacking. This course is an introduction to the social scientific view of entrepreneurship and innovation. Its goals are (1) to familiarize you with major perspectives on entrepreneurial activity; (2) to develop your skills in applying insights from these perspectives to empirical case studies, as well as practical issues affecting business startups and social enterprise; and (3) to help prepare you for a lifetime spent working in entrepreneurial careers (or partnering with business and social entrepreneurs).

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

This may appear to be a long list, but 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. We will examine the work of sociologists, historians, geographers, economists, and even a few business gurus.

Prerequisites:

Although the class has no course prerequisites, it does place some demands on your ability to perform independent research on entrepreneurs, startup enterprises, and innovations. You should familiarize yourself with Duke Library resources -- in particular, databases such as ABI/Inform, Lexis-Nexis (Academic), and Factiva ± that can assist you in collecting business data.

Teaching Assistant:

Name: Miles Marsala
Office: Soc./Psych. 141
Email: miles.marsala@duke.edu

Office Hours: Tuesday 2:00-4:00

CLASS STRUCTURE

Textbooks:

Noam Wasserman. 2012. *The Founder's Dilemmas: Anticipating and Avoiding the Pitfalls That Can Sink a Startup*. Princeton, NJ: Princeton University Press.

Case Studies

Electronic or hardcopy versions should be purchased through Harvard Business School Press. The coursepack is available at ...

<http://cb.hbsp.harvard.edu/cbmp/access/58403378>

Sakai:

We will make extensive use of a set of course readings, most of which are available in PDF form. We will upload electronic copies to Duke Sakai – Resource. This syllabus is also web-enabled, allowing you to access many of the articles directly from the internet as electronic readings (ER). The texts for the course can be obtained from the Duke bookstore or an on-line retailer:

COURSE ADMINISTRATION

Course Format

Class sessions will consist of lectures and discussions. Discussions will generally start with a “cold call.” We will cold call students during the discussion, so it is in your best interest to prepare for every class and to pay close attention throughout the discussion. This course will be most valuable (and enjoyable) if all students are engaged and participating in a productive manner. To contribute to the learning environment, please do the following:

Expectations of Students

1. Attend all classes.
2. Arrive on time.
3. Complete all assignments and exams.
4. Prepare for every class.
5. Participate consistently throughout the semester.
6. Treat all classmates and their opinions with respect.
7. Carefully consider your position and state it clearly.
8. Apply course concepts to frame and support your position.

9. Display your name card in each class.
10. Switch cell phones to silent mode during class.

Class Participation

The course is designed to hone analytical, communication, and teamwork skills, which are critical to success in the business world and sought after by potential employers. Successful students use the readings, assignments, and discussions in this course to practice the following skills:

Analytical

- 1. Translate unstructured situations into structured decisions.** Answering the right question is easy. Asking the right question is hard.
- 2. Think comparatively.** “A is more than B” is more meaningful than “A is a lot”.
- 3. Evaluate decision criteria.** On what basis should we choose? Why?
- 4. Evaluate assumptions.** What do we know? What do we not know but still believe? How does this influence our conclusions?
- 5. Think systematically about what we don’t know.** Uncertainty is unavoidable. Accounting for uncertainty leads to robust decisions. Simply ignoring it leads to hidden biases.

Communication

- 1. Advance collective understanding.** Speak to augment others’ thinking with your own.
- 2. Clear speaking means clear thinking.** Keep an active and engaged mind *when not speaking*. Rambling, disjointed speaking exposes unformed thoughts.
- 3. Speak to logic.** Use questions to clarify logic and assumptions. Use statements to explain reasoning. Normative statements have no logical content.

Teamwork

- 1. Pro-social behavior.** Eagerness to take on responsibility puts positive pressure on others. Teams with positive pressure experience virtuous cycles near deadlines (the whole is stronger than the sum of the parts). Teams with negative pressure experience vicious cycles (the whole is weaker than the weakest part).
- 2. Learn each other’s abilities.** Persistent overutilization of some team members and underutilization of others is a failure of organization.
- 3. Be a ‘Rudy’.** Contribute any way you can. Stay engaged with the team, regardless of ability. Perseverance is a resource to the team in its own right. And it is contagious.

Successful students do not:

- 1. Regurgitate business facts.**
- 2. Regurgitate business rhetoric.**

This course is about logic and analysis. Specific business examples are useful and necessary for illustrating abstract reasoning. Similarly, business terminology is useful and necessary for discussing complicated

lines of reasoning. However, regurgitating empty business facts or business rhetoric detracts from discussions and our collective learning. It is unsophisticated at best and irresponsible at worst.

Special considerations

- **Disability:** If you have a disability that requires accommodation, please tell me at the start of the semester so we can make appropriate arrangements.
- **Student athletes:** If you are a student athlete, please provide a schedule of your events at the start of the semester in case athletic events coincide with due dates in the class.

ASSESSMENTS AND GRADED MATERIAL

Course participation (15%: 5% for attendance and 10% for participation)

Active participation in class discussion is expected. We will keep track of attendance and class participation. You are expected to read the assigned materials closely and be prepared to discuss them in depth

Short-essay (10%, 2% each)

You will be asked to write some short essays (1-2 pages) based on readings in class. There will be 5 essays in total.

Presentations (10%: 5% each)

Each student will participate in two formal presentations, which will occur on specified dates during the term.

Exams (45%: 25% for Mid-term, 20% for Final)

To assess your progress, there will be a mid-term exam. The final exam is cumulative, with a mix of short and long answers.

Research Projects (20%: 10% each)

In addition, there will be two research projects. These are team projects, involving up to fifteen pages of written material. All material for the projects must be submitted in printed or electronic form.

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|---------------|----|----------|
| <i>Scale:</i> | A | 93-100 |
| | A- | 90-92 |
| | B+ | 87-89 |
| | B | 83-86 |
| | B- | 80-82 |
| | C+ | 77-79 |
| | C | 73-76 |
| | C- | 70-72 |
| | D+ | 67-69 |
| | D | 63-66 |
| | D- | 60-62 |
| | F | Below 60 |

INTEGRITY

Honor code

The University Honor Code will be in effect during all exams, quizzes, and written assignments. Please carefully read the provisions of the Honor Code, make certain you understand and adhere to them, and ask me to clarify any questions you have regarding the Code. The Code is a long and valuable tradition at Duke. Please protect it! More on the honor code can be found at <http://www.integrity.duke.edu/ugrad/>

Plagiarism and citations

The American Sociological Association's (ASA) *Style Guide* (4rd edition) defines plagiarism as follows: "(a) In publications, presentations, teaching, practice, and service, sociologists explicitly identify, credit, and reference the author when they take material verbatim from another person's written work, whether it is published, unpublished or electronically available. (b) In their publications, presentations, teaching, practice, and service, sociologists provide acknowledgment of and reference to the use of others' work, even if the work is not quoted verbatim or paraphrased, and they do not present others' work as their own whether it is published, unpublished, or electronically available." (2010, p. 3). \If you are uncertain how to properly quote material or write a list of citations, The Writing Center offers an overview of how to avoid plagiarism at <http://twp.duke.edu/writing-studio>

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.

| Section | One | Studying Entrepreneurs | Readings |
|----------------|--------------|--|---|
| Jan | 12 | Introduction | Wasserman, Ch.1 |
| Section | Two | Who Becomes an Entrepreneur? | |
| Jan | 17 | Entry into Entrepreneurial Activity | Wasserman, Ch.2; Audia and Rider, 2005 |
| Jan | 19 | Creating the Entrepreneurial Team | Wasserman, Chs.3 and 4 (through p.96 only); Ruef, 2010 Chapter 4 |
| Section | Three | Networks, Roles, and Rewards | |
| Jan | 24 | Entrepreneurial Networks | Stuart and Sorensen, 2005; Aldrich and Zimmer, 1986 |
| Jan | 26 | Roles and Rewards | Wasserman, Chs.5 and 6 |
| Section | Four | Managing the Startup Enterprise | |
| Jan | 31 | People and Activities | Baron & Hannan, 2002; Wasserman, Ch.8 |
| Feb | 2 | Case Study: Apple | Project Apple's Core (included in course package on Harvard Business School Press) |
| Section | Five | Entrepreneurial Simulation | |
| Feb | 7 | | ENTREPRENEURSHIP SIMULATION: THE STARTUP GAME |
| Feb | 9 | | ENTREPRENEURSHIP SIMULATION: THE STARTUP GAME |
| Section | Six | Entrepreneurial Environments | |
| Feb | 14 | Communities and Entrepreneurship | Saxenian, Chapter 1, 2, 3 |
| Feb | 16 | Organizations Spawn Entrepreneurs | Sorensen and Fassiotto, 2011 Klepper, 2001 |
| Feb | 21 | Case Study: Uber | UBER: CHANGING THE WAY THE WORLD MOVES (included in course package on Harvard Business School Press) |
| Section | Seven | Presentations and Mid-term exam | |
| Feb | 23 | Paper presentation 1 | |
| Feb | 28 | Paper presentation 2 | |
| Mar | 3 | Paper presentation 3 | |
| Mar | 7 | Mid-term exam | |

| Section | Eight | Innovation Diffusion | Readings |
|------------------------|--------------|---|---|
| Back from Spring Break | | | |
| Mar | 21 | Elements of Diffusion | Chapter 1, Rogers 2003 |
| Mar | 23 | Diffusion of Innovations | Van Den Bulte, C. & Lilien, G. L. 2001. Medical Innovation revisited: Social contagion versus marketing effort. <i>American Journal of Sociology</i> , 106(5): 1409-1435. |
| Section | Nine | Managing Innovation | |
| Mar | 28 | Regional Advantage | Saxenian, Chapter 1, 2, 3 |
| Mar | 30 | Innovation at 3M Corp | Case Study, included in the course package on Harvard Business School Press |
| April | 4 | Innovators' Dilemma | Christense, 1997 Introduction, Chapter 1 &2 |
| April | 6 | Managing Innovation | Van de Ven, A. H. 1986. Central Problems in the Management of Innovation. <i>Management Science</i> , 32(5): 590 – 607. |
| April | 11 | Review for Final Exam and Prepare Presentations | |
| April | 13 | Paper presentation 1 | |
| April | 18 | Paper presentation 2 | |
| April | 25 | Paper presentation 3 | |
| April | 30 | Final Exam 09:00AM to 12:00PM | Sociology Psychology 129 |