ORGANIZATION AND MANAGEMENT THEORY
Conference Paper Abstracts

MULTIPLE LOGICS IN THE DECISION-MAKING PROCESS

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This qualitative empirical study reveals the multiple logics which managers, in undertaking projects, used to influence other employees. This paper seeks to contribute to the literature decision-making process by exploring further the often ignored area of middle management's processes. In addition, as an exploratory approach this paper aims to reveal the factors that influence such processes. The design of this qualitative study includes the identification of a sample of 59 projects undertook by 39 middle managers in 35 complex multidivisional organizations in Canada. Each manager in the sample was interviewed about his/her activities in undertaking such projects. The study considers the differences in the types of middle managers and in the types of action context. The findings indicate that managers may indeed employ three different logics—authoritarian, emotional, and conciliatory—in the strategic decision-making process. Such logics depend more on the managers' perception of the project than the organizational features. Although some managers used different logics in different projects, no one manager changed the applied logic when undertaking a specific project.

Keywords: process, decision-making, logic

THE ECOLOGY OF STRATEGIC POSITIONING: MUTUALISM, COMPETITION, AND INERTIA

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We develop an ecological theory of the strategic positioning of all firms in an organizational population across its evolution. Drawing on established ecological theories and notions of strategic positioning from the management literature, we contend that processes of mutualism, competition, and inertia shape the propensity of firms to move in the market space. Accordingly, we derive hypotheses about the effects of direct niche overlap, market segment crowding, niche width and resource abundance on strategic movement. Analyses of the transition rate between market segments of firms in the U.S. auto industry between 1895 and 1981 confirm the predictions of the theory and suggest that organizational movement is a fundamental ecological process that leads to shifts in demographic distributions and evolution of structure in an organizational population. The results also suggest that the organizational ecology paradigm can be extended if the movement dynamic is explicitly considered as it may reveal the operation of under-theorized mechanisms not attended to in typical founding, growth, and survival models.

Keywords: strategic position, organizational ecology, organizational change

ON THE DIALECTICS OF STRATEGIC ALLIANCES

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Using Van de Ven & Poole's (1995) extensive assessment of process theories as an intellectual scaffold, we review the alliance process literature. It appears that of four theoretical engines, only three—life cycle, teleology, and evolution—are reasonably well covered in the literature. Process studies informed by a

dialectical theory, however, appear markedly absent, except for a recent contribution by Das & Teng (2000). We revisit their article, propose an extension to it, and provide an empirical illustration, using an in-depth longitudinal study of a genuine biotechnology-based alliance.

Keywords: alliances, dialectics, dynamics

GLOBALIZATION OF ORGANIZATION AND MANAGEMENT? COMBINING AMERICAN AND EUROPEAN INSTITUTIONALISM.

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The debate as to whether the increasing globalization of economic activity is leading to the convergence of practices, structures and institutions, or whether different national institutional frameworks are retaining their distinctiveness and continue to absorb common challenges in different ways, is well known. Our paper compares the American and European strands of institutional theory which make a significant contribution to this debate and suggests how they can be combined to better grasp the phenomenon of globalization and its effect on organizations and management. We present an ideal typology of the two strands of institutionalism in order to identify and compare their most important arguments. Upon this basis, we suggest how they can be combined to enhance their respective explanatory power and illustrate our arguments through propositions concerning the diffusion, use and interpretation of corporate control and corporate governance practices in different countries.

Keywords: Institutional Theory, International management

IMAGINING THE "IRON CAGE": A SYMBOLIC INTERACTIONIST APPROACH TO RHETORIC IN CRITICAL ETHNOGRAPHY

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We claim that the rhetorical power of critical ethnography cannot be fully explained by current concepts in rhetorical studies. While these theories acknowledge the rhetorical roles played by "sympathy," "imagination," and "context," a unifying framework is still needed to explain why these tales are so effective. We develop a social psychological (symbolic interactionist) approach to rhetoric in texts that emphasizes the capacity for the reader to imagine social relationships with the focal characters. Rhetorical data from four critical ethnographies were analyzed using this framework revealing strong patterns in the ways ethnographers portray characters privately experiencing negative emotions in institutional contexts.

Keywords: Ethnography, Rhetoric, Critical Theory

ORGANIZATION DEMOCRACY IN THEORY AND PRACTICE: THE SOCIAL STRUCTURES OF LABOR-MANAGED FIRMS

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How might organizations be described as striving toward democratic-like social structures? To answer this question I turn to the social structures of a unique type of organization called a "labor-managed firm" (LMF). LMFs are a historically unique economic organization in which those who perform the work hold the legal rights of residual claimant. LMFs are deemed by many theoreticians as the way to realize

"organization democracy." This paper first examines the theoretical literature to create a framework of how firms might incorporate concepts of democracy in their social structure, and second, examines a collection of ethnographic studies on LMFs to discover their actual practices. The findings provide an understanding of LMF organizational social structure as a system of four forces: (a) the monitoring needs of the firm; (b) the learning preferences of workers; (c) the egalitarian needs of the firm; and, (d) the processes of power dispersion. From these four forces I generalize two ideal types of organization democracy within LMFs based on either a member mentality of "aesthetic rationalism" or a mentality of "cooperative rationalism." The essence of organization democracy is the distribution of power that leads to an increase in trust between members and the enabling of organizational social justice.

Keywords: Organization Democracy, Labor-Managed Firms, Social Structures

ORGANIZATIONAL IDENTITY DYNAMICS: IDENTITY ADAPTATION IN A MULTINATIONAL ALLIANCE

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This paper develops a process model of organizational identity adaptation that builds on theories of organizational identity and identification, as well as concepts from neo-institutional theory. The process model is derived from a longitudinal case study of an alliance between two European multinationals where organizational identity adaptation was an important motive for alliance formation. In the framework, organizational identity is proposed as a dynamic of the mutually dependent constructs of identity, image, and possible selves. The adaptation process itself is seen as consisting of repetitive cycles of identification, imitation, and evaluation phases, each of which has reciprocal effects on organizational identity. Organizational identity construction is embedded in a contextual environment, which also serves as an antecedent (trigger) to the process.

Keywords: Organizational Identity, Process, Alliances

ACCOUNTING FOR THE LIMITED DISTRIBUTION OF TECHNOLOGY-ENABLED STRUCTURAL CHANGE

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This article accounts for the range of the limited distribution of structural change in organizations implementing new information technologies. Acknowledging the range of change patterns proffered by change theorists, we present a conceptual framework for understanding the nature of structural inertia when organizations introduce technology. The framework explains the reasons why one type of structural change distribution establishes itself over others when organizations deploy information technology. The perspective presented offers a more integrative approach to understanding how limited structural change is arranged. In doing so, it contrasts with change theory that concentrates on the development of new organizational forms. We discuss the implications of this approach in terms of the limitations of adopting new organizational forms when introducing technology change.

Keywords: Change, Design/Structure, Information Systems

IDENTITIES ON THE WEB: A CASE STUDY OF ROYAL DUTCH/SHELL

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In this paper we analyse two of the e-mail exchanges that have been posted on Royal Dutch/Shell's Web site in order to investigate how organizational identities are constructed through processes of description, questioning, contestation and defence. Organizational identities may be regarded as ongoing arguments between insiders and between ostensible insiders and outsiders, who deploy various persuasive techniques in their efforts to render hegemonic their versions of an organization's identity. Making plausible through persuasive rhetoric is a complex task, and requires a discourse analytic methodology and an analytical focus on whole utterances, in order to explicate how identity-as-argument is enacted. The research implications of our paper are twofold. First, by focusing on language as an opaque phenomenon, taken-for-granted ways of being persuasive are made strange and hence more visible. Second, our understanding of organizations as situated in ongoing, multi-focused arguments, illustrates a new way of conceptualising the polyphonic, genre-relevant nature of institutional identities.

Keywords: identities, argument, discourse

CHANCE, CHOICE, AND INEVITABILITY IN STRATEGY

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Strategies rarely develop as expected. Frequently, a myriad of circumstances contribute to the strategy making process and its implementation. In contrast to both the strategic choice perspective and deterministic theories, we contend that strategy is part choice, part chance, and part inevitability. We thus seek to provide an intellectual framework in which voluntaristic and deterministic perspectives are integrated, using contributions from the social and natural sciences, and the humanities. We document the argument in these scholarly traditions by means of three specific disciplines: organisation studies, complexity theory, and intellectual history. While embedded in different traditions, their literatures appear consistent in describing the complexity of what causes things to be. Jointly, they compel us to reconsider causality in strategy in terms of its three constituent parts: chance, choice, and determinism. We conclude with suggestions as to their interrelationship.

Keywords: voluntarism, determinism, chance

INTEGRATING TRANSACTION COST AND INSTITUTIONAL THEORIES VIA A SPECIFIC INSTITUTION AND DECISION

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In the explanation of organization decisions, organizational theorists propose that the research paradigms of transaction cost economics and institutional theory are complementary, rather than competing, theories. As such, integrating the two theories is important to develop more complete explanations and better predictions of organization decisions. Various researchers have attempted such an integration, but none have integrated the paradigms through examination of the impact of a particular institution in a specific decision context. This manuscript capitalizes on this research opportunity by evaluating the impact of a particular institution (relationship marketing) in the context of a specific organization decision (make-or-buy decisions). Transaction cost economics and institutional theory are integrated by developing propositions for the effects of key dimensions of both theories on the governance structures that result from make-or-buy decisions. The key to developing an integrated framework for transaction cost economics and institutional theory lies in the conceptualization of the dependent variable of governance structure. This manuscript develops a two-dimensional conceptualization of governance structures to enable the theory integration. Development of an institutional theory-based proposition also requires a detailed understanding of the process of institutionalization. This manuscript includes a more detailed analysis of the steps occurring in the process of institutionalization than has been identified previously. This detailed process is then used to justify the operationalization of institutional theory via the practice of relationship marketing.

DECISION MAKING IN HIGH VELOCITY ENVIRONMENTS: THE IMPORTANCE OF GUIDING PRINCIPLES

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Organizations operating in high velocity business environments face the challenge of making rapid strategic decisions in the face of rapid change, ambiguity of information, and lack of ability to verify key facts. Against this background, a vast literature of research into cognitive "knowledge structures" such as schemata and other cognitive filters provides a useful basis for beginning to understand organizational decision making in high velocity environments, yet this literature has several shortcomings. First, much of this data has been gathered in laboratory settings rather than in the field. Second, much is grounded on overly simplistic assumptions as to the definition of the "decision", and on the purely rational basis on which decisions can be considered "good". Very few studies have attempted to explore decision processes in high velocity environments characterized by high degrees of instability. In our interpretive field study of two firms operating in such environments, we have made several observations. First, individuals and groups tend to use rules of thumb similar to heuristics in making their decisions. However, these are not heuristics in the purely cognitive sense of the term. The heuristics called upon broader organizational narratives, and were invoked in practice in much the same way as narrative headlines. Finally, these heuristics carried considerable emotional as well as cognitive weight with management team members. Given these findings, we believe that the term heuristic is problematic for describing this organizational phenomenon, and we suggest that the term "guiding principle" may be usefully adopted in this context. Future research may fruitfully examine some of the process issues involved in developing guiding principles.

Keywords: decisions, narrative, heuristic

THE LANGUAGE OF ORGANIZATIONAL LEADERS: WHAT, HOW, AND SO WHAT

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Does the language of organizational leaders matter? If so, how and why? Prior research has described numerous linguistic techniques leaders may employ. Yet we have no framework for comparisons among these techniques, nor is it clear in many cases how, if at all, they impact organizational outcomes. This paper organizes language techniques described in prior work into a framework of three objectives of leader language: to provide information, to make or break meanings, and to forge a bond with and among followers. We propose that certain techniques contribute more directly than others to achieving each language objective and thus to shaping distinctively different organizational contexts—the "what" components of our model. We then trace the mechanisms by which the language of organizational leaders is disseminated, influencing the extent to which the language is able to influence collective-level results—the "how" component of our model. Finally, we discuss the impact on firm-level outcomes of the different organizational contexts that a leader may shape through language—the "so what" component of our model.

Keywords: language, leadership, communication

THE CONFIGURATION OF PUBLIC ORGANIZATIONAL IDENTITIES IN THE CANADIAN BEER BREWING INDUSTRY

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This paper develops a social comparisons perspective to explain how the public organizational identities of organizations operating in a single industry fit together into a meaningful category structure of attributes. Drawing on a cross-sectional analysis of the web-based communications of 13 organizations in the Canadian brewing industry, we demonstrate how these organizations establish central and distinctive public identities for themselves while claiming cognitive, pragmatic, and moral legitimacy in the eyes of relevant constituencies by comparing themselves to peers, stakeholders, or society as a whole. The population-level outcome of these social comparisons is an industry-wide public identity configuration resembling a core-periphery structure.

Keywords: Identity, Identity, Content Analysis

POPULAR MANAGEMENT CONCEPTS AS INTERPRETIVE RESOURCES.

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The paper addresses the relationship between fashion phenomena in management and the situation of managers in contemporary organizations. Based on a dialectic understanding of this relationship it argues that the ongoing entrepreneurialization of management both provides the ground on which fads and fashions flourish and at the same constitutes one of the principal outcomes of the organizational adoption of popular management discourses. The paper emphasizes the ways in which managers use popular management discourses as resources in their effort of making sense of a changing managerial world, and on the tensions and paradoxes reflected in the adopting managers' positioning moves. The argument provided in the paper is sustained by key findings from an empirical study of individual managers' adoption accounts.

Keywords: Entrepreneurialization, Fashion, Identity

JOB MOBILITY OF TECHNICAL PROFESSIONALS AND FIRM CENTRALITY IN WIRELESS STANDARDS COMMITTEES

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Social capital has proved to be a useful concept for incorporating the structure and content of social interaction into explanations of behavior and outcomes. The concept is grounded in the analysis of individuals and their networks of interactions, yet it has also been freely applied to networks of firm interactions. In networks of firms, where the actors are themselves collective entities, the content of interactions is often created by the boundary-spanning people who maintain the ties between firms. Thus, we propose that the social capital of firms is ultimately attributable to the agency of boundary-spanning individuals. However, boundary-spanners, like any employees, can and do change employers, and when they do, how does it affect the social capital of firms? We explore these issues in the setting of the technical standards setting committees in the cellular phone industry by examining the structural characteristics of interactions, both at the firm and individual levels of analysis. We find that individual-level attributes are portable across firms, i.e. that hiring can increase firm centrality, but that losing people does not necessarily affect a firm's centrality.

BOUNDARY SPANNERS: A RELATIONAL, SOCIAL CONSTRUCTIONIST PERSPECTIVE

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This paper introduces a relational, social constructionist perspective of the boundary spanner role which expands upon the traditional information processing perspective in several important ways. Through two case studies in entirely different contexts--the airplane flight departure process and the mergers and acquisitions (M&A) integration process--the role of the boundary spanner as a facilitator and developer of relationships is described. The importance of developing shared goals, shared knowledge and mutual respect among those who must collaborate across functional boundaries is illustrated as an extension to the traditional focus on boundary spanners as filterers, interpreters, translators and disseminators of information throughout organizations.

THE LIABILITY OF GOOD REPUTATION: A STUDY OF PRODUCT RECALLS IN THE U.S. AUTOMOBILE INDUSTRY

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In this paper, we explore how a firm's reputation affects both the reaction of the market to that firm's product defects as well as the firm's learning response. In contrast to a variety of arguments set out by information economists and market sociologists claiming that reputation serves as an organizational asset, we explore the possibility that reputation can be an organizational liability. We propose that a high reputation is less advantageous than a low reputation in absorbing the impact of product defects, and thus high reputation firms are more likely to be punished by the market in these cases. We also propose, however, that this liability might be transformed into a future asset by providing high reputation firms with more incentives and more capability to learn from these mistakes, and thus reduce their subsequent defect rates. We test these propositions using data on product recalls in the U.S. automobile industry from 1975 to 1999. Results show that high reputation firms are indeed punished more than low reputation firms when they have product recalls. We also find that both high and low reputation firms are better able to learn from their product recalls than middle reputation firms are. We conclude with a discussion of the implications of these results for organizational learning, reputation and status theories.

THE ROLE OF TRUST IN INTERORGANIZATIONAL LEARNING IN JOINT VENTURES

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Learning from the partner is considered to be one of the most crucial processes in a joint venture context. Simultaneously numerous advantages of joint venture relationships characterized by trust between partners have been identified. This paper investigates the role of trust in knowledge transfer and assimilation, jointly leading to the learning outcome in an interorganizational context. Propositions linking sources of trust to the processes of knowledge transfer and assimilation in joint ventures are formulated.

EVOLUTIONARY PATTERNS OF VARIATION IN M&A ACTIVITIES IN THE FINANCIAL SERVICE INDUSTRY 1981-2000

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Patterns of variation in organizational behavior delineate the dynamic nature and pace of how firms in an industry develop a consensus about what strategies or actions are proper. This paper examines patterns of various M&A activities in the financial service industry from 1981 to 2000. Results showed that (1) there was no identical pattern of variation in M&As among various segments of financial service industry; (2) time was a significant factor that separated gradual patterns of variation from abrupt ones; and (3) the degree of variation increased as experimentation was emphasized, which supported the imitation argument.

CONCEPTUALIZING ORGANIZATIONAL FLEXIBILITY: PROACTIVITY, ADAPTABILITY, AND RESILIENCE

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Organizational flexibility has been promoted as one of the most important elements of organizational performance. Organizational flexibility is not a new construct, however, its popularity in discussions of preparation for organizational change has increased dramatically. It has been suggested that higher levels of flexibility assist organizations to better 'fit' with their environment, enables them to balance competing forces, is associated with gaining and sustaining competitive advantage, and can be a major factor enabling organizations to bounce back from crises. Despite the popularity of the term 'flexibility' in both academic and practitioner arenas, it is still not possible to find a systematic and generalizable definition of the construct. Consequently, definitional problems have resulted in a lack of consistency within and between studies of organizational flexibility. Our paper reviews the historical underpinnings of organizational flexibility, and the current state of understanding of the construct to identify definitional commonalities. From these commonalities, we present a new conceptualization, which encompasses the critical features of organizational flexibility. We define organizational flexibility as an organizational capability that involves proactivity, adaptability, and resilience. Therefore, a flexible organization has the ability to generate alternative scenarios for future events (proactivity), can respond effectively to changes (adaptability), and can minimize stress and strain when recovering from change (resilience). Our model of organizational flexibility addresses many limitations associated with the concept, such as operationalization. The definition has organizational design, and organizational theory, as well as practical implications.

IDENTITY JUMPSHIPPING IN FRENCH ELITE RESTAURANTS: THE ROLE OF NESTED AND CROSSCUTTING IDENTITIES.

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Current theorizing on organizational identity faces two issues. First, while accepting the definition of organizational identity as "central" and "distinctive", some identity scholars contest the view that organizational identity should be "enduring", and suggest that the framing of identity should integrate

political struggles and hardly noticed power and political aspects in the identity arena. Second, other identity scholars recognize that identities operate across multiple levels of abstraction and advocate for models that incorporate the multi-level nature of identity. This paper confronts these two issues. We argue that nested and crosscutting identities influence differently an organizational unit's change of identity. We develop a set of hypotheses relating higher-order nested identities, lower-order nested identities, and inclusive and exclusive crosscutting identities, to identity changes at the focal level. The privileged site of observation is the entire population of French elite restaurants between 1968 and 1997. We use a time series analysis methodology based on Cox regression with repeated measures and time-varying covariates to test, and eventually support, the hypotheses.

Keywords: Nested identities, COX regression method, Crosscutting identities

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EMOTION AND CHANGE IN ORGANIZATIONAL IDENTITY
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Based on a longitudinal field study of a large firm undergoing deregulation, I build theory by describing how change recipients emotionally responded to executives' actions. Change recipients' emotions elicited by change agents' actions materially influence recipients' cognitive and behavioral responses to the proposed changes. I show how this differentially affects the outcomes of major change projects, and show how skillful management of employees' emotions can facilitate a change in certain attributes of organizational identity.

Keywords: emotion, change, organizational identity

ON THE CUTTING EDGE: IDENTITY TRANSFORMATION AND INSTITUTIONAL CHANGE AMONG SURGICAL RESIDENTS
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Existing perspectives on institutional change have emphasized both how changes in cultural logics and power relations enable agency in institutional change, and how this institutional change leads to important changes in individuals' identities. This empirical study of surgical residents in a Northeastern teaching hospital contributes to this literature by highlighting identity as a source of agency in institutional change, and by focusing on the recursive relationship between identities and institutions. As actors negotiate cultural and positional identities in interaction with one another, their attempted new identities are accepted or rejected by interaction partners, re-creating or transforming both the contour of work practices in situations and the shape of institutions over time.

Keywords: Institutional Theory, Identity, Change

DIFFUSION OF CORPORATE VENTURE INVESTING PROGRAMS: NETWORKS, CULTURES, AND ECONOMIC CYCLES
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The spread of venture capital investing practices from private venture capital firms to technology corporations is analyzed by linking the diffusion of these practices to the corporation's cultural, structural, and economic contexts. Corporate venture investing (CVI) programs appropriate and adapt practices developed by private venture capitalists for the purpose of selecting, funding, and growing start-up companies. We link individual corporations' decisions to adopt CVI programs with cultural factors indexed

by the corporations' founding characteristics and prior experience with venturing, and with geographic proximity to the private venture capital population. Further, we find that diffusion of CVI practices is affected by long-term cyclical swings in the aggregate stock of capital available for investment. When the pace of investing within the venturing community reaches a critical threshold, the processes driving diffusion change abruptly as bandwagon effects overwhelm the influence of relational and cultural linkages. In closing, we discuss the importance of theorizing and studying the adoption and diffusion of innovations as socially, culturally, economically, and temporally embedded processes.

Keywords: Diffusion, Temporal, Corporate Venturing

PRACTICING IDENTITY: A PROCESS MODEL OF IDENTITY CHANGE MANAGEMENT IN ORGANIZATIONS

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In this paper, we build on a longitudinal study of three different attempts at managing identity change within the same organization over a period of 25 years. The purpose of the paper is to develop an interpretative model that investigates how organizations may promote periodic renewal and redefinition of identity claims, while preserving at the same time a sense of continuity. We argue that continuity in organizational identity may rest on collective practices that form the distinctive competencies of the organization, while adaptation takes place as managers periodically select a subset of values, consistent with external expectations and contingent strategic factors. Evidence from our study suggests that selection does not only mirror external perceptions, but is also driven by a reflection on the collective heritage and the distinctive practices of the organization. The emerging framework is underpinned by the argument that the formation and dynamics of organizational identity rest on the interplay between the domains of social cognition and social practice. Most research on organizational identity has been conducted in universities, hospitals or other public organizations: ours is a rare case of research on identity change in a business firm. Potential implications of the nature of the research setting on our results are discussed in the conclusions.

Keywords: identity change, organizational identity, identity management

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COMPETITIVE STRATEGIES, NETWORK STRATEGIES AND PERFORMANCE OF CANADIAN INVESTMENT BANKS

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This paper combines perspectives from ecological and networks theories on the connection between firm strategy and performance. I identify two types of firm strategy: a) competitive strategy, which is manifested in the degree of firm specialization; and b) network strategy, which is manifested in the way the firm builds relationships with its partners. By integrating insights from the two literatures, I present a dynamic model in which firms combine competitive and network behaviors to improve their performance. Consistent with prior research, I propose a baseline model in which on average generalist firms outperform specialists. When taking environmental fluctuation into account, specialist firms outperform generalists in rapidly changing environments; whereas, generalists benefit from environmental stability. Extending this model, I hypothesize that specialist firms positioned in cohesive networks containing third-party ties perform well; however, generalists improve their performance if positioned in networks rich in structural holes. A longitudinal analysis of Canadian investment banking industry supports these predictions, suggesting that population ecology and networks literatures can provide complimentary lenses through which to view firm strategic behavior.

Keywords: Alliances, Networks, Population Ecology

BUILDING PARTICIPATIVE ORGANIZATIONS: ORGANIZATION AS DESIGN SCIENCE.

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Mainstream organization theory is based on science and the humanities. Science helps to understand organized systems by uncovering laws and forces that determine their characteristics, functioning and outcomes. Organization theory drawing on the humanities helps to understand, and critically reflect on, the human experience of actors inside organized practices. This paper involves the argument that organization studies should be broadened to include design as one of its primary modes of engaging in research. Design is characterized by its emphasis on solution finding, guided by broader purposes and ideal target systems. Moreover, design research develops, and draws on, design propositions that are tested in pragmatic experiments and grounded in organization science. This study explores the main differences and synergies between science and design. Subsequently, two design projects serve to illustrate the nature of design research. Both projects illustrate the pragmatic focus on actionable knowledge as well as the key role of ideal target systems in design processes. The author argues that scholars in organization research can guide human beings in the process of designing and developing their organizations toward more humane, participative and productive futures.

Keywords: Design, Science, Organization

ORGANIZATIONAL LEARNING IN CONVERGING AND DIVERGING TECHNOLOGICAL ENVIRONMENTS

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We apply the institutional perspective to explore the relationships between the environmental variation and the organization-level adaptation. We replace the static concept of environment with an evolving one, which measures environmental variation by the extent to which organizations in the field converge on their initial adoption choices over time. We also identify four types of organizational adaptation strategies by comparing each firm's initial and current technological choices to the dominant choice that evolves in an industry.

Keywords: organizational adaptation, learning, Institutional theory

ON ORGANIZATIONAL HARMONY

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Recent studies examining the relationship between music and organizational theory are beginning to uncover provocative and potentially powerful ways for understanding organization and management. Much remains to be done however, including bringing in a greater range of musical concepts, working with more advanced music theory, using music theory to change how we observe and assess organization, and using music theory to develop organizational explanation and prediction. Here we take up this agenda by asking how concepts of musical harmony, which employ difference, dissent, and conflict as necessary criteria, might be used to increase democratic space within organizations. In particular, we examine how different forms and placements of dissenting 'notes' and 'chords' in organizations might affect organizational outcomes.

Keywords: Music, Organization, Harmony

SOCIAL ORDER IN ORGANIZATIONS. THE CONTRIBUTION OF ORGANIZATIONAL POLITICS AND POLITICAL ECONOMICS

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One of the central questions of social theory has always been how social order within society and organizations can emerge and be stabilized although a great variety of independent actors with different identities, orientations and resources pursue their proper interests and goals. The aim of this paper is to analyze the contribution of organizational politics and political economics to the problem of social order within organizations. While organizational politics as an organizations studies subfield focuses on the analysis of political processes and the determinants and consequences of power in organizations, political economics as a subfield of both economics and political theory dedicates itself to the analysis of individual actions within different institutional settings as well as to the emergence and change of political institutions. As we will show both these approaches have serious deficiencies.

Keywords: organizational politics, political economics, social order

DOES RATIONALITY MATTER? ADOPTION PATTERNS OF ISO 9000 STANDARDS

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The objective of this paper is to examine whether technical contingencies reduce the likelihood of organizations adopting institutionalized management practices, namely ISO 9000 standards. Moreover, we analyze whether these organizational features which might collide with institutional expectations will have a reduced negative effect on adoption when they are accompanied with organizational attributes which increase the propensity to adopt institutionalized practices. The results show that the extent of customized production and a dominant influence of top management on quality control decisions reduce the likelihood of adopting ISO 9000 standards. However, only the latter factor changes its influence significantly with greater organizational size and administrative intensity – two entities which increase the pressure to adapt to external expectations.

Keywords: institutionalization, ISO 9000, rationality

IMPROVE OR ABANDON: ORGANIZATIONAL REACTIONS TO INITIAL FAILURES IN A NEW INITIATIVE

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This study intends to address a question: Why do firms often abandon a whole new initiative in the face of initial failures, rather than learn from the failures and improve the initiative? Extending the research on change and organizational politics, we provide a dynamic picture of how a new initiative may evolve within an organization over time and become a focal point of organizational politics, through which the initiative is abandoned as opposed to improved and retained. Although both risks and political effects associated with a new initiative have been discussed, this study presents the interactional and dynamic effects of the two factors in the process of implementation.

Keywords: New initiative, Abandonment, Politics

ENTRY MODE AND INCUMBENCY STATUS IN FIRM PRODUCT INNOVATION IN THE OPTICAL DISK DRIVE INDUSTRY

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Firms entering an industry de novo (start-up) and firms entering de alio (diversification away from another industry) differ in the initial entry conditions. In this paper, I propose that the differences in resource endowment, previous experience, and structural flexibility between de novo and de alio firms at the time of entry have long-lasting imprinting effects on their innovation behavior. In particular, I predict that de novo firms exert greater efforts and achieve greater technological outcomes in product innovation than de alio firms. Furthermore, I argue that firm entry mode explains additional variance in firm innovative behavior, which is not explained by entrant-incumbent status alone. I find strong empirical support for these predictions when analyzing product innovation of all firms that ever participated in the worldwide optical disk drive industry, 1983-1999. I discuss the implications of my findings for the entrant-incumbent research in the management of innovation literature.

Keywords: product innovation, entry mode, entrant-incumbent status

SPIRITUAL LEADERSHIP AS INTRINSIC MOTIVATION THROUGH VISION, HOPE/FAITH, AND ALTRUISTIC LOVE

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"Leadership is the art of mobilizing others to want to struggle for shared aspirations" (Kouzes and Pozner, 1987). Spiritual leadership comprises the values, attitudes and behaviors that are necessary to intrinsically motivate ones self and others so that they have a sense of spiritual survival through calling and membership. This entails: 1. Creating a vision wherein group members experience a sense of calling in that through work their life has meaning and makes a difference; 2. Establishing a social/organizational culture and ethical system based on the values of altruistic love whereby leaders and followers have genuine care, concern and appreciation for BOTH self and others, thereby producing a sense of membership and of feeling understood and appreciated. The overall purpose or objective of spiritual leadership is to create value congruence across the strategic, empowered team, and individual levels to foster higher levels of organizational commitment and productivity. The ultimate effect of spiritual leadership is to bring together or create a sense of fusion among the four fundamental forces of human existence (heart, mind, spirit, and body) so that employees experience joy, peace, and serenity as well as increased organizational commitment and productivity. A theory of spiritual leadership is developed with a causal intrinsic motivation model that incorporates and extends 1) path-goal, charismatic, transformational and transactional theories of leadership, 2) vision, hope/faith, and altruistic love, and 3) spiritual survival. Suggestions for future research and organizational transformation and development through the spiritual leadership paradigm are offered.

Keywords: leadership, Theory, spiritual

IMPROVISATION, KNOWLEDGE AND THE CHALLENGE OF APPROPRIATION

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This paper seeks the rapprochement of two streams of literature that have been gaining momentum in recent years but which have largely been oblivious of each other: knowledge and improvisation. Organizational improvisation emerged as an important perspective for organizing, with important implications for, inter alia, innovation and creativity, adaptability, and management in turbulent times. By a

similar token, the knowledge movement has continued to capture the imagination of organization theorists, many of whom are interested in what it means, how it is created and disseminated, and whether the knowledge-based view constitutes a new paradigm or a new theory of the firm. Our assessment of organizational improvisation indicates that it constitutes an important potential source of tacit knowledge, thus opening up a new avenue for exploring the strategic significance of this form of knowledge. In particular we focus on the challenges of appropriating the benefits of organizational improvisation. Drawing on the on-going debate on the codification of tacit knowledge, and in particular the difficulties therein, we explore the case for codifying the outcomes of improvisational actions as a prerequisite for appropriating improvisational knowledge.

Keywords: improvisation, knowledge, appropriation

INTERSUBJECTIVITY AND INTANGIBLE FORMS OF CONTROL: THE EMPEROR'S NEW CLOTHES REVISITED

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In this study, I conceptualized control mechanisms in the Emperor's New Clothes as well as contextualized the concepts in a Japanese advertising and consulting firm. The focal concept is the intangible form of control which exists in the intersubjectivity among organizational members. In order to show the existence of such a control in a real organization, I have conducted a qualitative study in a white-collar organization in Tokyo.

Keywords: culture, cognition, postmodern theory

ORGANIZATIONAL CULTURE: DOES LEADERSHIP MATTER?

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The organizational culture literature asserts that the executive leader has or could have a strong hand in the creation, development and change in organizational culture. Both the dominant functional perspective and attribution bias would support a strong association between these two phenomena. However, it has been well recognized that culture is strongly resistant to change. Also, contingency perspective suggests limits to managerial discretion in shaping culture. Hence, the association between leader and culture could be highly attenuated. Using two survey samples, we identified firms when perceptions of executive leadership and organizational culture are coupled and when they are decoupled. Guided by a qualitative study of six firms randomly chosen from the survey sample based on a theoretical sampling approach, we developed a framework that suggests an institution-based rather than leadership-based organizational culture.

Keywords: leadership, organizational, culture

ORGANIZATIONAL RISK AND VARIATION IN CAPITAL INVESTMENTS:PERFORMANCE EFFECTS AND MODERATING CONTEXTS

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Capital investments represent major strategic resource commitment decisions by the firm, yet little research has investigated how the variations in these decisions are affected by organizational risk. We discuss this relationship from three theoretical perspectives and examine it empirically, along with its implications for firm performance. We also assess whether this relationship is contingent on organizational contexts. Analyses of capital investment behavior of 756 U.S. firms show that organizational risk and variation in capital investments are related, but the extent of their relation depends on organizational contexts. We also find that firms that face greater organizational risk and are more flexible in their capital investment patterns have higher average returns.

Keywords: Capital investments, organizational risk

PROPERTY OF THE MIND: AN EMPIRICAL TEST OF RBV'S INIMITABLE AND NON-SUBSTITUTABLE RESOURCES

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Criticism of resource-based view (RBV) of the firm points out that because RBV is not amenable to empirical assessment; its potential contributions to strategic management remain questionable. For instance, empirical testing and parameterization of the hard to imitate and difficult to substitute dimensions and their link to competitiveness are scant. The goal of this study is to bolster the theoretical foundations of RBV by operationalizing and empirically testing these constructs. First, the article advances the view that a single resource – patented inventions – could qualify as simultaneously valuable, rare, hard to imitate, and difficult to substitute. Second, the study suggests that hard to imitate and difficult to substitute inventions are associated with competitive advantage. Five-year data from 85 publicly traded pharmaceutical companies (SIC 2834) confirmed our predictions. Controlling for assets, sales, and R&D expenditures, inimitable and non-substitutable patents were significantly related to competitive advantage as captured by the number of new products and, to a degree, to profitability.

Keywords: Resource Based View, Competitive Advantage, Patents

ORCHESTRATING RESTRUCTURING INITIATIVES: DRIVERS OF VALUE CREATION IN CORPORATE CHANGE

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This study pays attention to interactive effects among restructuring initiatives in changing financial, business, and organizational structures of a firm. We analyze both facilitators and performance consequences of corporate restructuring. We suggest governance structure change and corporate scale as key facilitators of corporate restructuring process. Once restructuring efforts are initiated, restructuring performance will be enhanced if companies pursue financial, business, and organizational structure changes in parallel with each other, but not independently. Restructuring performance will be enhanced if

financial changes are combined with business portfolio changes rather than organization changes. You should pursue business expansion only if you can improve the quality of organizational systems. Business retrenchment, however, has to be accompanied by improved organizational efficiency. Thus top management will have to understand complex interactions between business and organizational components in the change processes, and to orchestrate restructuring initiatives and processes. These hypotheses are tested positively with the data from 163 publicly traded companies in Korea.

Keywords: Organizational Restructuring, Business Restructuring, Restructuring Performance

THROWING GOOD MONEY AFTER BAD? SEQUENTIAL DECISION MAKING IN THE VENTURE CAPITAL INDUSTRY

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This study argues that sequential investment decisions in the venture capital are not consistent with the expectations of the normative model of decision making, and investigates the possible reasons for this pattern. I study sequential venture capital investments between1989-2000, and their performance outcomes. I empirically demonstrate that venture capitalists' decisions to terminate funding in their portfolio companies are not consistent with the distribution of successful outcomes over rounds invested. This suggests that venture capitalists may be ignoring incoming information in making sequential investment decisions. The qualitative part of the study explores reasons for the observed pattern. I find that, in addition to the uncertainty and the individual biases, institutional context of investment decisions contribute to poor investment decisions. In particular, I discuss the role of co-investment partners, fund life cycle, and interpersonal dynamics in affecting sequential investment decisions.

Keywords: decision making, institutional theory, venture capital

AN INTEGRATED FRAMEWORK FOR RELATIONSHIP MANAGEMENT: EMPIRICAL EVIDENCE OF THE DUTCH FLOWER SECTOR

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It is the aim of this study to assess the influence of the determinants of the transaction, dyadic and business environment level on relational governance, and ultimately performance. We build an integrated framework for relationship management drawing from transaction cost economics, marketing channel theory and business network theory. For the empirical testing of the framework, models were estimated involving exchange mode, transaction specific investments, length of business interaction, trust, network intensity, environment instability, relational governance, and an objective and affective indicators for performance. Dutch suppliers of flower and potted plant products (n=174) provided data for the analysis. Our results show the positive significant impact of trust, network intensity, physical TSI and exchange mode on the two constructs of relational governance, and the positive effect of relational governance to achieve performance.

Keywords: Inter-organizational Linkages, Networks, Transaction Costs Theory

ADOPTION OF ILLEGITIMATE ORGANIZATIONAL INNOVATIONS: THE EMERGENCE OF STOCK OPTION PAY IN GERMANY

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The paper examines how illegitimate organizational policies and practices spread across and within organizational fields. Our model suggests that linkages with other institutional contexts and general business education provide conduits for learning about novel policies which have achieved normative status in other locales but which may be illegitimate in an organization's primary institutional context. In addition, board interlocks with other organizations which have previously adopted illegitimate practices, prior organizational experience with illegitimate adoptions, and previous adoption by other organizations within the firm's industry context should increase the likelihood of adoption. We test these arguments by examining the adoption and diffusion of stock option pay among DAX 100 firms, a context in which stock-based pay has counter to historic normative conventions and which has received significant resistance from important organizational constituents. We found that adoption was facilitated by formal organizational linkages to other organizational fields where the practice is legitimate, by formal business education, by interlock linkages to early adopters, and by prior organizational experience with other illegitimate adoptions.

Keywords: corporate governance, illegitimate change, program adoption

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LEARNING DYNAMICS IN STRATEGIC ALLIANCES: A COEVOLUTIONARY FRAMEWORK

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The paper develops a framework for examining the coevolutionary dynamics in the alliance learning process. We describe the different kinds of learning in an alliance, namely, content, partner-specific, and alliance management, and discuss how different coevolutionary elements of alliances make salient different types of learning in different stages of the alliance developmental process (formation, operation, outcome). The coevolutionary framework proposed here makes clear that the alliance learning process occurs at several different levels and, also, that the different kinds of learning processes are interrelated with each other. Furthermore, different forms of learning have different strategic implications. Briefly, content learning augments the collective strengths of the alliance, partner-specific learning (i.e., learning about a partner as opposed to learning from a partner) is crucial in determining whether or not an alliance gets formed, and alliance management learning helps build the confidence of the alliance partners in managing alliances. We also discuss the theoretical and practical implications of our framework and suggest directions for further research.

Keywords: Strategic Alliances, Learning Dynamics, Coevolutionary Framework

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OPPORTUNISTIC BEHAVIOR IN STRATEGIC ALLIANCES: THE ROLE OF RELATIONAL RISK AND OPPORTUNISM HORIZON

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The hazards of potential opportunistic behavior in strategic alliances is a significant obstacle to fostering confidence in partner cooperation. However, opportunism has generally been treated as a monolithic concept in the literature, precluding an adequate understanding of how it could be curbed and controlled. In this article we suggest that opportunism is a variegated phenomenon and propose a time-risk framework based on the two dimensions of opportunism horizon and relational risk. We then suggest a number of deterrence mechanisms to control the different types of opportunistic behavior for enhancing confidence in partner cooperation in alliances. Lastly, we discuss some of the significant managerial implications of the framework of opportunistic behavior and indicate directions for further research.

Keywords: Strategic Alliances, Opportunistic Behavior, Relational Risk

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A CEO-ADVISOR MODEL OF STRATEGIC DECISION MAKING

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Upper echelons research has emphasized decision-making either by individual CEOs or by egalitarian "teams" of top managers. We introduce a third, intermediate model that we label the "CEO-Advisor" model of strategic decision-making. We argue that many CEOs seek out internal and external advisors for opinions on specific strategic issues, in a process of social information search. Nevertheless, the CEO retains ultimate authority and actually makes the strategic decision. The CEO-Advisor model leads to new descriptive and normative propositions - concerning advisor selection, the advising process, the strategic decision, and individual vs. collective emphasis in strategic decision-making - that have not been revealed through the individual CEO or the top management team models.

Keywords: strategic decision making, top management teams, CEO-Advisor model

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THE TWO SIDES OF THE COIN: LEARNING AND INERTIA AMONG ITALIAN AUTOMOBILE PRODUCERS, 1896-1981

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Based on the premise that organizational learning and structural inertia are both rooted in prior organizational experiences, this paper examines under what conditions adaptation or selection will take place. We find that implementing a core change generates negative repercussions for survival but this effect can be countered by leveraging relevant core competencies. But we also argue that which of the two outcomes occurs is generally beyond the control of the organization. Instead, environmental transformations render what firms have learned relevant or obsolete, thereby facilitating learning-based adaptation or inertia-based selection. The direction in which organizational learning evolves is a combined function of organizational demographics and the structure of the competitive environment. We propose relevant hypotheses and test them in the analysis of data from the Italian Automobile Industry, 1896-1981. We report results of hazard rate models of failure and position change and discuss general implications.

Keywords: selection, adaptation, learning

INTERLEVEL LEARNING DYNAMICS: BALANCING EXPLOITATION AND EXPLORATION WITHIN & BETWEEN ORGANIZATIONS.

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The literature on organizational learning has traditionally either conceptualized learning as an intraorganizational or as an interorganizational process without taking into consideration how these different levels of learning are interlaced. We propose an integrated conceptual framework of intra- and interorganizational learning processes that address the fundamental experiential learning problem of balancing exploitation and exploration – a central issue for organizational development and prosperity. The conceptual framework is empirically studied in two longitudinal case studies of the internal and external product development activities of Scandinavian and American software companies. The case findings indicate that learning at both the intra- and interorganizational levels tend towards exploitation, i.e., refinement, routinization, and production; while switching between levels in both directions was associated with exploration, i.e., experimentation, innovation, and free association. By studying both levels of learning simultaneously, it was hence possible to discern the pattern of exploratory switching between levels in contrast to the traditional view of interorganizational learning itself being mainly exploratory and intraorganizational learning being mainly exploitative. It was also possible to systematically track how intra- and interorganizational processes follow specific, interlaced sequences of experiential learning within and between organizations.

Keywords: organizational learning, strategic alliances, case study

COMMUNITIES OF PRACTICE (COPS): PURE & CORRUPTED CONSTRUCTS AND PERFORMANCE EFFECTS

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The importance of informal structures to organizational development, learning, and performance has long been identified (Barnard, 1938, among others). "Communities of Practice" (CoPs), informal networks of individuals who possess various levels of a common capability and apply their knowledge in pursuit of a similar endeavor, were originally coined by Lave and Wenger (1991) and built into an organizational framework by Brown and Duguid (1991). CoPs are emergent organization forms encouraging informal situated learning unobtainable in an organization bureaucracy. Practitioners have developed and disseminated rhetoric distorting the original CoP theory into more highly formalized structures. For example, some management consultants advocate the establishment of formalized and regulated membership, prescribed roles, scheduled meetings, and technical tools. This is ironic as CoPs are created as a response to bureaucracy. By formalizing CoPs, one runs the risk of corrupting the original concept (Wenger, 1998). Individuals are boundedly rational and should know better than their organizations how to spend their time and energies. Strong activity levels in formalized CoPs may no longer offer the benefits of emergent organizations and can be destructive. This paper addresses the question: How do formalized CoP costs moderate the effect of CoP activity level on performance?

Keywords: Communities of Practice, Informal Networks, Knowledge Management

INDUSTRY DISCRETION AS A DETERMINANT OF EXECUTIVE COMPENSATION: A MULTILEVEL ANALYSIS

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Although CEO compensation is one of the most studied topics in the social sciences, very little is known about how industry influences impact the setting of CEO compensation. Recent surveys by consulting firms such as Watson Wyatt and PriceWaterhouse Cooper have shown that the mix, and to a lesser extent, the level, of CEO compensation (i.e., incentive compensation to total compensation) in the 1990s varied significantly by industry. We develop a theory that relates variations in both CEO compensation mix and level positively to variations in the amount of discretion that the industry task environment affords the CEO. Using a sample of 313 US firms in 1992, we use multilevel analysis to show that both CEO compensation mix and level are positively related to industry discretion, after controlling for the effects of CEO and governance characteristics, and controls for firm size, performance, diversification, and risk. Finally, a longitudinal model of growth in CEO compensation over 1992-95 shows that industry discretion impacts the initial level of compensation but does not appear to influence the rate of growth of compensation over time. We find that our results also hold for the average of top management team compensation for the top four executives in the same sample.

Keywords: Industry Discretion, CEO Compensation, TMT Compensation

THE INTERPLAY BETWEEN INSTITUTIONAL CHANGE AND ORGANIZATIONAL LEARNING: THE BASEBALL INDUSTRY

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In this paper, we highlight the conditions under which organizations engage in change and learning in periods of institutional continuity and discontinuity. The focus within behaviorist research has been on aspiration-driven change with positive implications for performance. We argue that a learning model of organizational change needs to consider institutional dynamics for a meaningful account of change management in periods of institutional change. Pooled cross-sectional panel data in the baseball industry are regressed to examine a set of hypotheses that predict the firm-level drivers of core changes in periods of institutional continuity and change, as well as the impact of these drivers on firm's learning behavior. The paper's contribution is threefold. First, we shed light on the development cycle of socially-constructed aspirations. We demonstrate that both internal motivations and external dynamics, i.e. mimetic and normative institutional forces, drive organizational change. We observe aspirations to be insignificant in leading core changes in new institutional contexts where rules, routines and practices lack legitimacy. Aspiration-driven change assumes significance in periods of institutional continuity. Second, in contrast to the majority of arguments in institutional theory, we acknowledge that institutions change over time and have effects that are particularistic. We argue that macro-level changes in institutional rules can influence micro-level organizational decision-making and performance. Third, we contend that organizations do not necessarily develop, modify and adopt novel routines that facilitate internal transformation via clear managerial visions, as is suggested by the change management literature. The role of boundedly-rational actors diminishes in environments characterized by institutional discontinuity. Rather, mimetic and normative pressures pave the ground for a synchronized response to environmental dynamics.

Keywords: organizational learning, institutional theory, baseball industry

ORGANIZATIONAL GEOGRAPHY, EXPERIENTIAL LEARNING, AND SURVIVAL: JAPANESE FIRMS IN THE PRC

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We examine the influences of geographical density and proximity, and experiential learning on the rate of subsidiary exit for Japanese international expansions made into the People's Republic of China in the 1979-2001 period. We find a firm's expansions are more likely to survive when located distant from the firm's previous expansions, when distant from existing expansions of competitors, and when made by

firms with experience in similar geographic and product market settings. These findings contribute to research on organizational geography, international expansion, and competition among multinational firms.

Keywords: China, organizational survival, organizational geography

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INTERPERSONAL AFFECT AND THE FORMATION OF JOINT PRODUCTION NETWORKS

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I analyze the role of interpersonal affect in the formation of joint production networks, defined as webs of relationships in which social actors systematically interact with each other to accomplish instrumental goals that they would not be able to realize on their own. In two studies of MBA students at a large U.S. business school and employees in a prominent information technology company, respectively, I illustrate that interpersonal affect is a primary determinant of the formation of work networks. I further show that actual and perceived interpersonal affect operate as distinct mechanisms for the creation of instrumental ties. Finally, I demonstrate that the effect of perceived affect on the formation on work ties varies depending on characteristics of the dependence relationship between actors in a joint production task. I discuss implications of these findings for social network theory and the management of organizations.

Keywords: Work networks, Affect, Perception

INTRAORGANIZATIONAL POWER AND THE DYNAMICS OF CORPORATE STRATEGY

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The questions of how shifts occur between inertia and change and why only some organizations engage in organizational changes have received significant attention from scholars in strategy and organization theory. We examine how institutionalization of subunit power as the horizontal dimension of organizational power structures and stratification in top management teams as the vertical dimension influence the dynamics of corporate strategy. We theorize that institutionalization of subunit power causes inertia, while stratification of the top management team causes strategic change. Our analysis of diversification changes of shipbuilding and robotics firms supports the theory.

Keywords: Power/Politics, Adaptation/Change, Top Management Teams

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THE DARK SIDE OF NETWORKS: AGE, STABILITY, AND EFFECTIVENESS IN CLIQUES OF ORGANIZATIONS

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This paper explores the evolution of cohesive groups of organizations, or cliques, and examines, in particular, the relationships between clique age, clique stability, and clique effectiveness. Data from the shipbuilding industry on the Clyde River in Scotland between 1840 and 1914 reveals that cliques become more stable over time. This age-induced stability is associated, in turn, with decreased clique effectiveness, as measured by the aggregated production growth of clique members. These results shed some light on the dark side of networks, or the potential hazards associated with prolonged clique membership, and complement previous works on cohesive groups of organizations which traditionally emphasized the benefits of such groups.

A TALE OF THREE DISCOURSES: THE DOMINANT, THE STRATEGIC AND THE MARGINALIZED.

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This study drew from a structurational view of discourse and employed a discourse analysis approach based on hermeneutics and rhetoric, to analyze the organizational discourses operating in the UK operations of a global human resources consulting firm, People Associates. The aims were firstly to understand in what sense we can speak of 'modes of discourse' in organizational settings; secondly to explore the potential existence and nature of interrelations among different modes of discourse; and thirdly to explore the constructive potential of modes of discourse on their social and organizational contexts. The results suggest that modes of discourse can usefully be seen as rhetorical enthymemes constituted of a duality of relatively stable, normative structures and flexible, action-oriented structures; that different modes of discourse can interrelate through their deeper structural features, and can have mutually co-optive or antagonistic relationships; and lastly that the constructive potential of modes of discourse is based primarily on their deeper structures, and on the consonance of surface communicative actions with these structures.

THE POLITICS OF ORGANIZATIONAL LEARNING: INTEGRATING POWER INTO THE 4-I FRAMEWORK

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Although studies of organizational learning have conceptualized it primarily as a social-cognitive process, it is also an inherently political one. We argue that power and politics provide the social energy that transforms the insights of individuals and groups into the institutions of an organization. Moreover, we propose that different forms of power in organizations are connected to specific learning processes, and that an examination of these different forms of power provides a basis for understanding why some insights become institutionalized while others fail to do so.

NETWORK TRAJECTORIES: GOAL-DIRECTED AND SERENDIPITOUS PROCESSES

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How do social networks change over time and what are the implications of network change for individual actors? In considering trajectories of network change, we distinguish between two processes: goal-directedness and serendipity. These two processes differ fundamentally in operation and structural dynamics. By pointing out the implications for individual actors of the differences between goal-directed and serendipitous network processes, this paper contributes to an understanding of the micro-macro links in network formation and change. Individual actors shape the formation and development of social

structures through teleology and serendipity; and the trajectories of these social structures offer changing arenas within which individual actors' own goals are established and promoted.

Keywords: Social Networks, Trajectory, Network Change

LIKELIHOOD AND SUCCESSFULNESS OF SECOND-ORDER CHANGES: AN INTEGRATED FRAMEWORK

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Important distinctions are made between two related yet different issues: the likelihood of the occurrence of second-order changes and the likelihood of the success of second-order changes. The likelihood of occurrence concerns the question of when second-order changes are more likely to happen. The likelihood of success concerns the question of when second-order changes, once happened, are more likely to be successful. Based on that distinction, a theoretical model is proposed to examine how environmental and organizational factors influence the likelihood of both the occurrence and success of second-order changes simultaneously. Those two types of likelihood do not always vary hand in hand. Environmental conditions that are most likely to stimulate second-order changes may not be the best environment for those changes to be successful. Likewise, organizations which are most likely to make second-order changes successful may not be the ones that are most inclined to take those changes. The model could further our understanding of the occurrence and success possibility of second-order changes for different organizations as well as the frequency and failure rate of such radical changes in different organization populations and different environmental conditions.

Keywords: second-order change, likelihood of occurrence, likelihood of success

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THE EFFECTS OF TECHNOLOGY NICHE AND SOCIAL NICHE ON SOCIAL CAPTIAL EXPLORATION/EXPLOITATION

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Few studies have systematically investigated the processes of how organizations nurture social capital over time through managing their inter-organizational relations. In this paper, we address the literature gap by introducing the concept of social capital exploration/exploitation and discussing how organizational niche attributes affect their activities along the two dimensions. Organizations could develop social capital through exploring new alliance relations with others (establishing new inter-organizational ties) or exploiting existing ones (repeating/strengthening old ties). We extend the niche concept from population ecology to individual organization level and discuss how organizational technology properties and embedded relations influence social capital exploration/exploitation. Particularly we propose that 1) width of organizational technology niche is positively related to social capital exploration; 2) technology niche overlap is positively related to social capital exploitation; 3) width of organizational social niche is positively related to social capital exploration; and 4) social niche overlap is positively related to social capital exploitation. Our findings from a longitudinal study on a population of pharmaceutical firms (in SIC 2834 industry) support the proposed relations by showing that the attributes of organizational technology niche and social niche each play a distinct role on social capital exploration/exploitation.

Keywords: Social Capital, Technology Niche, Social Niche

THE COEVOLUTION OF INDUSTRIES AND NATIONAL INSTITUTIONS: THEORY AND EVIDENCE

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A survey across space and time reveals that leading firms operating in global industries often cluster in one or a few countries. The paper argues that nations differ in how successful they are in a particular industry because coevolutionary processes linking a particular industry and national institutions powerfully shape the path of an industry's development. Across a wide range of contexts, scientific progress and industrial leadership reinforce each other in spirals of cumulative national advantage. A historical case study of synthetic dyes from 1857 to 1914 provides a dramatic example of how these positive feedback processes gave German organic chemistry and German dye firms a dominant position in the world. Over time, the relative strength of a nation in a particular industry and the capability of the country in a relevant scientific or engineering discipline display a strong positive correlation. Additional shorter case studies of agriculture, packaged software, and biotechnology support this induced hypothesis. We argue that the exchange of personnel between industry and academic institutions, the formation of commercial ties between them, lobbying on each other's behalf and direct support from state agencies constitute causal mechanisms that can explain why successful firms often cluster in particular countries.

Keywords: coevolution, national advantage, science-industry interface

THE GOVERNABILITY OF INTER-ORGANIZATIONAL NETWORKS IN TURBULENT ENVIRONMENTS

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This paper proposes a grounded theory that explains the behavior of interorganizational networks in conditions of turbulence. The model revolves around the notion of governability: the ability of networks to respond to unexpected events. It was produced with the help of grounded theorizing and multiple case studies of large-scale engineering and construction projects. Its key assumption is the dynamic interaction between the collective framing of the project issues, the inter-organizational network built to deal with these issues, and its capacity to respond to events. We argue that networks need a combination of three basic properties – cohesion, resourcefulness and flexibility – for an adequate response to turbulence. Based on the analysis of network participants and links between them, we set forth the conditions that produce the three properties and we study the interactions among them. Using archetypes abstracted from commonly encountered network forms, we model the systemic effects resulting from combinations of participants and links at the network level and provide an explanation for the patterns of response to turbulence observed in projects corresponding to each archetype.

Keywords: flexibility, network, turbulence

ORGANIZATIONAL ROUTINES AT WORK

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Organizational routines have traditionally been regarded as stable and inflexible, the antithesis of what organizations need to survive in an environment of constant change. Drawing on data from participant observation of a high-tech manufacturing company, I find that routines may in fact be quite flexible because their individual performances are responsive to the situation at hand and the intentions of the actors involved. Despite this local variability, however, the routines observed persisted over time and were central to the performance of certain organizational activities. Drawing from structuration theory, I develop a model of routines as structures to explain this apparently paradoxical finding. Routines as structures are flexible because their performance is guided, but not determined, by prior enactments; they are persistent because they are enacted simultaneously with other structures that limit the degree to which local variation in routine performance is perpetuated. In this case, the use of a particular routine was strongly reinforced by the organization's mechanisms for coordination, its culture, and the technologies it used. Routines exhibit coherence over time because they are embedded in these other structures, not because they are mindlessly or invariably enacted.

SOCIAL DISTANCING OF DIRECTORS

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In this study, we consider the social process by which the inner circle of corporate elites may have resisted external pressure from stakeholders to adopt changes in corporate governance that increase independent board control over managerial decision making on behalf of shareholders. In particular, we draw from anthropological and sociological research on the processes of social control to examine how individual directors who participate in corporate governance changes that reflect greater board control over management, thus compromising managerial interests, may be subjected to a kind of informal social sanctioning on other boards, which we refer to as social distancing. We then consider how such social control could deter individual members of the corporate elite from participating in changes that threaten the interests of fellow top managers. We test our theoretical framework with a unique dataset that includes original survey data on processes of social control from a large sample of directors and CEOs at Forbes 500 companies, together with archival data on director participation in changes that are thought to increase independent board control over management. The findings support our theoretical framework, and show that (a) directors who participate in changes that threaten managerial interests experience a higher level of social distancing on other boards, and (b) directors are less likely to participate in such changes if they have recently experienced social distancing. We discuss implications for research on board networks, corporate leadership and governance.

Keywords: Corporate Governance/Boards, Leadership, Networks

THE DYNAMICS OF ORGANIZATIONAL DIVERSITY IN EVOLVING FORMS

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This study combines two theories that offer competing predictions of diversity—neo-institutional and complexity theory—to investigate the temporal dynamics of organizational diversity in a new organizational form. Consistent with Hayek's theory of complex phenomena, we emphasized a verification approach in which theory is used to explain how general patterns of change unfold. The research setting is the hyper-theme segment of the restaurant industry, which includes such chains as Hard Rock Café and Planet Hollywood, explored through all life cycle phases from the early-1970s to 2000. We graphically tracked and statistically analyzed diversity on five dimensions of form, and combined these findings with accounts derived from qualitative analyses. Our results indicated "a time for increasing homogeneity" during which neo-institutional explanations dominate and "a time for increasing heterogeneity" during which complexity explanations dominate, suggesting important temporal limits of both theories. Our collective-level findings also extend strategic balance/competitive cusp theories by adding a temporal dimension and a more comprehensive array of organizational characteristics.

Keywords: Homogeneity/Heterogeneity, Endogenous Processes, Time

EXPLORATION IN ORGANIZATIONAL EVOLUTION: THE ROLE OF ENVIRONMENTAL TURBULENCE

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Organizational evolution is a struggle between new and established organizational forms. In many situations, however, new and potentially superior forms initially have difficulties competing with established forms, partly due to the numerical dominance of established forms. An important question for understanding the dynamics of social change is thus when new organizational forms are able to overcome the dominance of established forms. In contrast to existing arguments, emphasizing the activities of institutional entrepreneurs or changes in the environment, this paper suggests that turbulence has a significant and systematic effect on the probability that new forms will emerge. Using a well-documented model of organizational founding and mortality examined in Carroll and Harrison (1994), this paper shows that additional randomness could substantially increase the probability that a new form will break the dominance of an established form. Overall this suggests that the lock-in created by an early lead may be more easily overcome in turbulent environments. Several implications for when and what types of organizational forms that can be expected to break the dominance of established forms are discussed.

Keywords: Organizational Ecology, Path-dependency, Evolutionary Theory

LAW FIRM OFFICE LOCATION AND FIRM SURVIVAL IN SILICON VALLEY, 1969 TO 1998

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Social scientists have recently turned their attention to the important consequences of industrial districts or so-called agglomeration economies on economic growth and firm performance. This paper explores an important but unanswered question involving agglomeration economies: does geographic location within an agglomeration affect firm performance? I assess this question by examining the effects of different geographic office locations (by zip code) on the failure rates of all corporate law firms located in Silicon Valley from 1969 to 1998. Empirical estimates reveal that Silicon Valley corporate law firms benefit from the increased volume of client referrals that comes from being near mutualistic firms that offer a different range of legal services, the lower labor costs and more specialized division of labor that come from being near a large joint supply of lawyers, and the increased business that comes from being near important clients (i.e., venture capital firms). In addition, corporate law firms that locate in certain municipalities of Silicon Valley, including Palo Alto, San Jose, and Santa Clara, have significantly increased failure rates, even controlling for many firm-specific differences. Younger corporate law firms (under the age of 11 years) are helped disproportionately by being near important environmental resources and harmed disproportionately by being in certain perilous areas of Silicon Valley. All told, a law firm's office location within Silicon Valley has significant consequences for its survival.

Keywords: geographic location, business failure, organizational ecology

LINKING RATIONALITY, POLITICS AND ROUTINES IN ORGANIZATIONAL DECISION MAKING

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Since Allison's classic study of the Cuban missile crisis, organizational researchers and theorists have generally been willing to agree that organizational decision making has rational, political, and routine elements. However, they disagree on what these different elements may mean and how they may be theoretically and empirically reconciled. This paper explores the definitions and modes of reconciliation that have been offered in the literature and proposes some new ways of approaching this problem. In particular, drawing on Poole and Van de Ven's suggestions for paradox resolution, we examine how spatial separation and temporal separation may suggest ways of improving understanding of organizational decision making.

Keywords: Decision-making, politics & power, routines

MIND THE GAP: ORGANIZATIONAL IDENTITY PROCESSES DURING AN ALLIANCE

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This study describes organizational identity process during the first year of a strategic organizational alliance. Methods used included Seidman's (1991) three-interview series, observation, and document analysis. Hatch and Schultz's (2001) model of organization identity was used as an analytical framework to understand the alliance identity process. In order to explain the resulting identity processes, Giddens' (1979) structuration theory was the theoretical framework for the study. Data indicated a distinct alliance identity was emerging. Empirical evidence supported Hatch and Schultz's (2001) model of organizational identity processes. The alliance identity formed through internal processes of expression and reflection and external factors of mirroring and impressing. Several factors influenced identity formation processes including lack of complex organizational structures or integrating mechanisms, limited opportunities to build norms, power and contractual arrangements. As a result of these factors, identity formation processes were limited resulting in an alliance where members were unsure about who they were and the emergence of a confused image. A model of identity processes is introduced that expands upon Hatch and Schultz's (2001) process model by incorporating the findings and the existing literature. The resulting model depicts identity development as a dynamic process that focuses on five areas: a) history b) who are we now, c) who we want to be, d) who we have been told to be through legal structures (i.e., the contract) and leadership, and e) who the customers want us to be. The model highlights the role of structure, power, and the contract in shaping an organization's identity.

Keywords: Identity, Alliances/Interorganizational linkages, Power/Politics

RECONSTITUED TIES REVISITED

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Theoretical explanations of the antecedents of corporate director appointments often center around either a resource dependence or intraclass framework. An alternative explanation is based on a symbolic management perspective, embracing the concepts found in institutional and impression management theories. Using the reconstituted tie approach for examining board interlocks, I find support for the symbolic management argument as a basis for explaining board member nominations. Implications for governance and future research directions are discussed.

Keywords: symbolic management, institutional theory, board interlocks

ORGANISATIONS AS EPISTEMIC COMMUNITIES: AN ETHNOGRAPHY OF KNOWLEDGE CREATION PROCESSES IN START-UPS

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Management theory and practice nowadays accepts unquestioningly that knowledge is an important resource for the success of an organisation. However, I claim that we still know very little about the processes surrounding the creation of knowledge inside organisations, and what we know is normally a model-like description of a process that does not resemble the chaotic, ambiguous reality experience by organisations. In an effort to fill this gap, I conducted a year-long ethnography inside an incubator, concentrating on three companies. As a first description of my data, I draw attention to three interesting phenomena, which run counter the conventional wisdom painted in the literature. First, organisational members are concerned with codifying know-how much more than know-what. Second, the social relationships inside management teams allow for very different dynamics, depending on the type of knowledge created. Third, companies devote a long time to the initial planning phase, suggesting that

business plans may have a role even in high velocity, turbulent environments like the ones surrounding the net bubble. Tentative explanations are provided for the three phenomena, as well as implications and conclusions.

Keywords: knowledge, communities, codification

SOCIAL CAPITAL AND SOCIAL TIES: A TYPOLOGY AND ANALYTICAL FRAMEWORK

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Social capital has been shown to have strategic value for individuals and firms. This work adds to the existing literature by presenting a framework for analyzing social capital through an ego-centered approach. It is suggested that because social capital is fundamentally an individual level property, its strategic value should first be understood in terms of how individuals accumulate it. The framework draws on existing research, which suggests that social capital originates in social structure, to argue the following: First, one's social capital emanates from numerous interpersonal ties, and because each tie has unique properties, each tie can yield different and unique social capital. Second, since individuals differ in the types of personal relationships they have, they will also differ in their social capital. Third, social capital can be analyzed in terms of three dimensions - content, orientation, and access, which create eight different types of social capital. Fourth, one's social capital is an aggregate construct consisting of the social capital embedded in all the personal ties one has. Because individuals are simultaneously involved in multiple ties and because each tie produces unique social capital, a social capital profile exists for each individual, reflecting a unique strategic value. Propositions are presented that outline the relationships among the identified types of social capital, the implications of the dynamism in one's social capital profile, the importance of proper management of one's social capital, and the strategic value of individual social capital for firm capabilities and management.

Keywords: social capital, interpersonal ties, firm capabilities

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A DYNAMIC MODEL OF TRUST DEVELOPMENT AND KNOWLEDGE SHARING IN STRATEGIC ALLIANCES

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To advance research examining the relationship between trust and knowledge sharing in strategic alliances we weave together the literatures on knowledge and trust and develop a dynamic model of trust development/knowledge sharing (TDKS). To this end, we set forth three objectives for this paper: (1) To review the literatures on trust and knowledge sharing and establish dynamic conceptualizations of both concepts; (2) To develop an integration of trust development and knowledge sharing in a dynamic setting; and (3) To offer the TD/KS model, which describes how alliances are formed, developed, and dissolved based on levels of trust and knowledge sharing between partners. Our TDKS model explicitly looks at a dynamic conceptualization of and interrelationships between trust and knowledge highlighting that trust can be built and destroyed between alliance partners; and knowledge exchange can increase and decrease between partners. We conclude our paper with the theoretical and practical applications of our proposed model.

Keywords: Strategic alliances, Dynamic, Theory

MAKING DO WITH WHAT'S AT HAND: BRICOLAGE AS RESOURCEFULNESS IN TWO CONTEXTS

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The open-systems models that dominate much of organization studies have made remarkable progress exploring the conditions and processes through which organizations secure or fail to secure from their environments resources adequate for survival and growth. However, the underlying notion of what constitutes resource adequacy has usually been treated as unproblematic. In this paper, we assume that firms differ substantially in their ability to thrive in the face of resource constraints, and label this differential ability "resourcefulness." We study a particular form of resourcefulness called "bricolage," which Levi-Strauss defined as making do with whatever is at hand. We draw on an in-depth multi-year study of bricolage in two contrasting contemporary contexts – among small businesses in a pillaged landscape of failed coalmines and among employees asked by technology entrepreneurs to accomplish challenging new objectives but provided with no new resources. We develop a grounded theory of bricolage as a form of resourcefulness that helps to explain differences in the likelihood of growth among resource-constrained small firms and also helps to explain declines over time in the resourcefulness demonstrated by employees. We also identify common patterns and mechanisms that generate positive and negative outcomes of bricolage in both of our empirical contexts. Finally, we position the theory of bricolage as a contribution toward a theory of organizational resourcefulness and explore some of its theoretical and practical implications.

Keywords: Adaptation/Change, Innovation/Technology, Resource Dependence

YOUR ACCIDENTS OR MINE? RAILROADS' EXPERIENTIAL LEARNING FROM TRAIN WRECKS AND CRASHES.

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Do firms learn more from own experience of from experience of others, is the main question we are addressing in this paper. We perform formal test of four ideas concerning firms' experiential learning: (1) Greater overall volume of experience will make the experience of others more impactful than own experience. (2) Relevance of that experience facilitates learning. (3) Managerial attribution biases makes it difficult to learn from own failures. And, (4) intervention from external agents, such as regulatory bodies, should matter for accident types where there are greater positive externalities in place. Using data from the U.S. railroad industry between 1975 and 2001 on five different accident types, we find support for the experience volume argument, the attribution bias argument and also some direct and indirect support for the importance of regulatory intervention for accident reduction in this industry.

Keywords: organizational learning, industry learning, train accidents

AESTHETIC INTERFACES:SUSTAINING COMPETITIVE ADVANTAGES BY COMBINING CULTURALCONTENT &FUNCTIONALITY

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I present a theory that defines aesthetic interfaces as a new competitive dimension. This interface reflects the integration of cultural content and functionality in products. Cultural content pertains to the way the product expresses various symbols, values, and cultural themes that extend beyond the physicality of the object that embodies them. Functionality pertains to the way the physical and mechanical combination of

various components allows the product to fulfill an instrumental purpose. I argue that firms that innovate by integrating these two aspects are able to expand the market for their products. The capability to integrate these aspects is based on understanding the psychosocial characteristics of consumers, such as the need for novelty and for acquiring status by pursuing fashions. I suggest that this capability leads to sustainable competitive advantages because it triggers a feedback loop. Firms that innovate along the aesthetic interface are positioned as leaders that are imitated by other firms. This imitation not only enhances the leaders' reputation, and as such is an important competitive advantage, it also reinforces their ability to increase the aesthetic interface of their products and thus, strengthens their leadership position. (188 words)

Keywords: Capabilities, Reputation, Culture

BEYOND BOUNCING BACK: THE CONCEPT OF ORGANIZATIONAL RESILIENCE

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The knowledge economy amplifies a number of organizational challenges. Among these is the need to be able to thrive despite turbulent, uncertain, and often threatening events. Organizational resilience has, therefore, received a great deal of recent attention from managers and consultants. While this concept has appeared in the academic literature, no comprehensive definition of organizational resilience has been developed. This paper fills that gap by proposing a clear, measurable, component-based definition of organizational resilience and a model of the antecedents, compositional dimensions, and consequences of this concept. Organizational resilience is considered a pattern rather than a proscribed series of steps or activities. It is seen as a transformational capability and as such is a complex blend of perspectives, behaviors, processes, and contexts. Because of its transformational thrust, organizational resilience enables a firm to flourish in circumstances in which others attempt only to cope. Finally, organizational resilience is triggered by a distinctive, discontinuous event that creates vulnerability and requires an unusual response. We begin by explaining why the knowledge economy intensifies the need for resilience. Next, commonalities and differences between individual and organizational resilience are examined. A definition and model of the construct is offered. Three component dimensions of the conceptual model are explained: cognitive resilience, behavioral resilience, and contextual resilience. Antecedent conditions that facilitate organizational resilience are described and the beneficial consequences of organizational resilience are identified. We conclude with implications for future research.

Keywords: organizational resilience, robustness, organization vitality

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ANTECEDENTS AND CONSEQUENCES OF BUSINESS SCHOOL REPUTATIONS WITH CORPORATE RECRUITERS

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This paper investigates the antecedents of organizational reputations under conditions where product quality is difficult to observe and evaluate directly and the consequences of reputations for the prices organizations command for their products. Drawing on signaling theory, we examine the effects of two types of organizational signals – signals of quality and signals of prominence on two types of reputations – reputation for product quality and general reputational standing. We study these relationship in the organizational filed of US business schools and find that the two types of se signals affect the price

corporate recruiters pay for the graduates of a school both directly and indirectly through their effects on the two types of a business school's reputation.

Keywords: reputation, signals of quality, prominence

CELEBRITY FIRMS: THE SOCIAL CONSTRUCTION OF MARKET POPULARITY

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The concept of celebrity has been prominent in entertainment, sports and the arts, because in these industries numerous performers compete for relatively few positions at the top. The contestants who achieve the top positions gain disproportionate shares of the industry's rewards. In this paper, we argue that firms in many industries are increasingly facing such "winner-take-all" competitive environments. In such contexts, achieving celebrity status increases a firm's chances of gaining a top competitive position in its industry because celebrity status provides the firm with relatively rapid access to large-scale public attention. Large-scale public attention may in turn increase the resources and opportunities available to the firm. In this paper we develop a theoretical model of how firms acquire celebrity status as a function of their nonconforming actions, attributions by the media, and stakeholder audience support. We also examine the implications of achieving celebrity status for the long-term performance of celebrity firms.

Keywords: celebrity, reputation, intangible assets

TESTING NETWORK GOVERNANCE EFFECTS ON PERFORMANCE: STRUCTURAL EMBEDDEDNESS DURING PRIVATIZATION

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We use a synthesis of social network theory and transaction cost economics to test performance effects of network governance on a sample of incumbent telecommunications operators undergoing privatization restructuring in the 1981-1998 period. We extend the proposition that under market and technological uncertainty and asset specificity network governance has competitive advantage over markets and hierarchies, showing that the effect holds for larger network size. Further, we orient ongoing theory-building in the TCE perspective for future synthesis.

Keywords: TCE, networks, privatization

THE HIRING TABOO.

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There is an intriguing rule in American academia: universities never hire their own doctoral students right after they graduate. This is so as hiring one's own students is generally regarded as taboo. But having, at most, a modest scholarly track record, a young professor's future research potential is hard to assess except for his alma mater. Curiously, in this situation of information asymmetry, the alma mater, which is best positioned to judge the individual's potential does not participate in the assessment process as it would not consider retaining its own graduate. In order to solve the puzzle of the hiring taboo, this paper argues that the practice, however illogical, is kept in place because schools compete with each other over the initial placement of their students. As a result, taking an initial stand on students by retaining or letting them go would send such a strong signal that would undermine the value of all the students who are not

hired by their alma mater. The paper puts forward a structural mechanism, stratified generalized exchange, to explain the origin and continued compliance with the hiring taboo. The analysis of the initial job-placement of doctoral students in management is offered as empirical proof of the argument.

Keywords: management education, networks, legitimacy

STRUCTURING HIERARCHICAL DEFERENCE AND SOLIDARITY IN THE CONTEXT OF CHANGING COMMUNICATIONS MEDIA

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The present study joins studies of the relationship between structure and technology and computer mediated communications in drawing from structuration theory as a framework for understanding how the introduction of new communication media serves as junctural structuring events that fundamentally influence the order of discourse as reflected in existing patterns of deference and solidarity within manager-employee dyads in an international setting. This longitudinal field study samples the ongoing communications between managers located in North America ('the Africa Desk') and their direct reports (the Country Representative) in the Chad operation of the Mennonite Central Committee, an international aid and peace organization, as the medium of their communications changes from couriered letters to facsimiles and, finally, to electronic mail (e-mail).

Keywords: structuration, communication media, politeness theory

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ORGANIZATIONAL CULTURE AND NETWORK EMBEDDEDNESS

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A question that has been neglected in network research is where differences in network embeddedness come from. The network literature reveals that there are three key characteristics of embedded relationships: trust, open communication, and joint problem solving. On the basis of the sparse empirical studies of factors leading to network embeddedness, we identify organizational culture as a potentially important organizational-level factor. Building on empirical organizational culture studies we select ten dimensions of organizational culture that for theoretical and/or empirical reasons can be linked to network embeddedness, and formulate propositions concerning their effects.

Keywords: networks, alliance capabilities, organizational culture

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ABSORPTIVE CAPACITY REVISITED: ORGANIZATIONAL INTEGRATION AND FIRM'S INNOVATIVE CAPABILITIES

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While research on knowledge management has significantly contributed to the debate about why organizations should invest in R&D, it has left unaddressed the issue of how organizations can ultimately develop commercial innovations that take advantage of new external knowledge. Absorptive capacity theory has been a very influential framework developed to address this issue, however, our understanding of how knowledge produced outside the organization can be used for the production of commercial innovations is still very limited. This paper examines the relationships between the R&D lab and the rest of the organization in the development of commercially viable innovations. The specific research questions addressed are: (i) beyond previous related knowledge, what account for the

organizational ability to recognize, assimilate and, most importantly, take advantage of relevant knowledge produced outside the organization, and (ii) how do technology-driven organizations reconcile the alternative learning strategies of exploration of new possibilities vs. exploitation of old certainties as a mean of creating new value for the firm.

Keywords: Absorptive Capacity, Organizational Learning, Innovative Capabilities

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ANALYSIS OF GOVERNANCE REFORM IN KOREA : INERTIA AND INSTITUTIONAL PRESSURE

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When a western (American) system is imported to emerging market, both inertia and outside pressure for this system exist, especially in the beginning stage. In the later stage, firm's resource and capability to accept the system is critical in implementing this system effectively. We assume the same situation in the introduction of outside director system in Korea. Because outside director is a system imported from America and Korea and America have different business environment and company system, we hypothesized the existence of inertia in Korean companies against governance reform measured by outside director introduction and the role of institutional pressure to promote it. The research model is tested based on the database acquired from the listed nonfinancial companies in Korea.

Keywords: Outside director, agency theory, institution theory

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⏍ THE METAMORPHOSIS MOTIVE FOR MAJOR US MERGERS, 1993-2000

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Mergers are common but our understanding of their origins, the factors influencing why one firm combines with another, is limited. Researchers in the areas of finance, economics, strategic management, and organization studies have proposed differing explanations related to synergy, discipline, free cash flow, imitation, and hubris. Individually or jointly, these incongruent rationales do not fully explain the occurrence of mergers. They omit the direct voice of leadership and give limited attention to behavioral and social factors, especially as intertwined with financial ones. The present study begins to address the imbalance by focusing on chief executive officers as prime instigators of mergers and important sources of information on merger motivations and explanations. Results from an interview sample of acquiring and target Fortune 500 CEOs who were architects of very large mergers during the 1993-2000 merger wave provide support for a variety of factors in the literature. However, the most important factor was deep organizational transformation, at a level suggestive of the term metamorphosis, which has rarely been mentioned before. In manifestation of the metamorphosis motive, the new firm differs from the premerger entities in its management structure, aspects of culture, and strategic direction. In total the empirical analysis indicates that major billion-dollar corporate combinations of the past merger period occurred for specific reasons of size, synergy, status, cash, globalization, innovation, technology and market leadership, management change and regeneration, and overall for the most important reason of creating an entirely new and different kind of firm. Within the sample of largest mergers explored through CEO interviews and supplementary data from additional sources, mergers in the financial services, telecommunication, and oil sectors dominated in frequency and provide industry-specific instances of metamorphosis.

Keywords: mergers and acquisitions, organizational change, technology and market leadership

WHY EMPLOYERS USE NONSTANDARD WORK ARRANGEMENTS AND THE IMPACT OF UNIONIZATION

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This paper examines employers' motivations for using workers from Temporary Help Agencies (THA) and contractors. These nonstandard work arrangements are often believed to undermine the power of labor unions. The use of agency temporaries and contractors may be regarded as a means to replace regular workers – resulting in unions wanting to fight the use of these arrangements. Using information from 2130 Norwegian establishments, I find that there is a relationship between the degree of unionization and the nature of the situation in which the establishments use nonstandard arrangements. The greater proportion of unionized employees, the less prevalent the use of THA and contractors for recruiting purposes. The use of THAs or contractors to cover for staffing needs (absence or variable work demand) is equally prevalent in high- and low-unionized organizations. The findings from the representative sample are confronted with data from a case study of three service-sector organizations, containing interviews with managers and union-representatives.

Keywords: institutional theory, nonstandard work, unions

INTERORGANIZATIONAL COOPERATION BETWEEN NOT-FOR-PROFIT ORGANIZATIONS: A RELATIONAL ANALYSIS

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Our paper is a first theoretical attempt to examine causal mechanisms of interorganizational cooperation between not-for-profit organizations. In particular, we show that some of the causal mechanisms that lead not-for-profit organizations to cooperate are fundamentally different from the ones that lead to cooperation between for-profit organizations, even though some potential benefits of cooperation (e.g., reduced resource competition, increased efficiency) are similar to those observed in the for-profit world. At the dyadic level, we identify a set of relational characteristics (sector of activity, microniche overlaps, and status) that are specific to not-for-profit organizations as predictors of the likelihood of cooperation between any two not-for-profit organizations and of the form of cooperation they are likely to choose.

Keywords: Not-for-profit organizations, Interorganizational cooperation, Network Theory

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HERMENEUTICS AND ORGANIZATIONAL IDENTITY: THE CASE OF CORPORATE BRANDING

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Management and organization theory increasingly intersect with the humanities through a shared interest in interpretation, perhaps nowhere more obviously than in relation to organizational identity. While interpretive approaches have been closely associated with poststructuralist/postmodernist theory, we think it useful to consider them from the perspective offered by hermeneutics, the oldest and richest interpretive approach, and one that allows us to straddle the divide between modernist and postmodernist concerns while addressing the ways in which organizational identities are formed. Hermeneutics straddles modernist and postmodernist positions in that it addresses both the questions: 1) in what ways can interpretation be controlled or fixed by authoritative intention, and 2) in what ways is it constructed by multiple audiences and historically layered? In this paper we will pursue the application of hermeneutics to the field of organizational identity using the example of brands because a brand is perhaps the most

tangible, and hence textual, expression of organizational identity, and, as a text, a brand is suitable to methods of interpretation, of which hermeneutics is one. A brand's dual status as aspiration for how a company is perceived (the authoritative or strategic view) and as artifact in popular culture (the democratic or stakeholder view) places it in the territory that straddles the paradigms of modernist and postmodern organization theory. That is, in seeing the ways in which the meaning of a brand changes over time (a view contributed by hermeneutics), we also see how managerial intent intersects interpretations made by multiple constituencies.

Keywords: Branding, Hermeneutics, Interpretive theory

REARTICULATING THE CLASSICAL AGENCY THEORY

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In this paper, I rearticulate the underpinnings of the classical agency theory developed by Jensen and Meckling, Fama, Fama and Jensen, and Jensen. I show the uniqueness of the classical agency approach compared to prior studies of the principal-agent relationship. I distinguish between the classical agency theory's general core contentions and supplementary arguments. One of the central contentions of the classical agency theory is that principals and agents have different motivations due to the fact that both parties maximize their utility functions by choosing an optimal balance between their pecuniary and non-pecuniary benefits associated with their ownership, employment and the privileged position in the hierarchy. The classical agency theory's supplementary arguments generally define agency conflicts as solvable thanks to the efficiency of capital and labor markets, as well as the separations of the functions of decision management and control. I show that while most of the classical agency theory's supplementary arguments have been undermined during the recent prolonged period of speculative bubble, the majority of its general core contentions retain their relevance. While claiming that agency conflicts can be managed through the creation of cooperative contexts, I emphasize the validity and heuristic value of the classical agency theory's fundamental approaches.

Keywords: agency theory, conflict, risk

STRATEGIC BOUNDARY MANAGEMENT

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As environmental turbulence accelerates, further conceptual work is essential for developing the strategies, practices, and skills needed for managing its sources and consequences. Turbulence is explored at two interacting levels of analyses -- the organization and a social field consisting of collectivities of interdependent organizations. Turbulence is defined as a relative condition dependent upon the adaptive capacities of an organization and a social field. Both an organization and field can induce turbulence when they open themselves to levels of complexity and change in their interdependencies that they cannot effectively manage with available adaptive capacity. There is a dynamic tension that must be actively managed between greater openness and closedness at both organization and field levels. The benefits of greater openness and exchange are significant and benefit the building of adaptive capacity, but excessive openness can overwhelm adaptive capacity and result in greater turbulence. We propose strategic boundary management as one means for better managing that dynamic tension. Strategic boundary management consists of three generic strategies: boundary formation, defense, and destruction. Several practices and skills associated with each strategy are identified and classified as normative, operational/technical, and physical/spatial. Additional underdeveloped practices and skills at this time are also identified.

Keywords: boundaries, turbulence, practices

STATUS MOBILITY AND STATUS STABILITY IN A COMMUNITY OF FREE SOFTWARE DEVELOPERS

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There exists in the literature on social status a tension between the forces that sort members of a community into differing social strata and the forces that constrain membership in relatively stable status orders. Much has been written about both topics, and yet there has been little empirical research investigating the intersection of these two competing stimuli in shaping the social structure of the community. Most of the previous work in this area has typically studied the effects of stability by assuming that a status order has evolved endogenously, but without specifying empirically the underlying causes that create rigidity within the system. This paper conducts a primary investigation into the manner in which social forces exert pressures that initially shape and define an actor's status, but eventually constrain an actor's movement in a status ordering. The results of empirical analyses show that, in the process of status formation, others will tend to evaluate a focal actor's reputation according to socially driven cues provided by others. Ironically, these same social forces work together to produce status stability. It is argued here that this effect is largely a product of both uncertainty reduction and socially driven conformity. As more people certify a focal actor's status, the amount of information available about that actor increases, thereby reducing uncertainty regarding his social position. Thus, as the cumulative number of references made regarding a focal actor's status increases, the likelihood of that actor being recognized as holding a status that differs from these references decreases.

Keywords: Status, Reputation, Networks

CROSSING AN APPARENT CHASM: MINDFUL AND LESS MINDFUL ORGANIZATIONAL LEARNING

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In recent years a new perspective on organizational learning has developed; a perspective termed mindfulness (Weick and Sutcliffe, 2001; Weick, Sutcliffe, and Obstfeldt, 1999; Fiol and O'Connor, forthcoming) that highlights the role of active and quite conscious efforts of on-going efforts at change and experimentation. This new perspective on learning and adaptation seems at odds with earlier traditions (March and Simon, 1958; Cyert and March, 1963; Nelson and Winter, 1982) that emphasize a less deliberate, more automatic pattern of behavior. We explore processes of "mindfulness" in an effort to identify both its possibilities and limits. We then consider the connection of this process of mindfulness with notions of organizational action as largely routine driven and of learning processes as primarily incremental in nature. Finally, we situate both perspectives into a broader framework that characterizes process of organizational learning --- a framework that dimensionalizes learning by frequency, extensiveness, and degree of deliberateness.

Keywords: Learning, Organizational Processes, Organizational Processes

INTERDEPENDENCIES IN ORGANIZATION DESIGN: SEARCHING FOR THE "EDGE OF CHAOS"

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Time to market and other competitive forces present managers with the challenge of completing projects in less time, but without a reduction in quality. To meet this challenge they often employ fast track organization designs. Their approach involves taking previously sequential task activities and making them parallel so that project completion time is drastically reduced. However, changing sequential tasks to parallel tasks often introduces reciprocal interdependencies – contingent relationships between tasks that must be managed through mutual adjustment. This paper seeks to understand the tradeoffs between

the benefits of concurrent organization designs and the information-processing demands that these designs place on the individuals in the organization. This paper draws on organization theory and complexity theory and employs computational models based on field studies to discover how much interdependence is optimal for task performance. Results suggest that the optimal degree of interdependence varies based on cost, time, and quality measures, and that the "edge of chaos" should be viewed as a multidimensional construct combining these considerations.

Keywords: interdependencies, complexity theory, organization design

PRACTICE, ORDERING AND DISRUPTION: A DARKER STORY OF COMMUNITIES OF PRACTICE

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The notion of communities of practice (COPs), groups of agents who share activities, occupational history and knowledge have recently become central in organization science and management as they seem a useful analytical lens for organizational dynamics. Nevertheless, current accounts of COPs still appear rather abstract, idealized and static. This paper aims at uncovering specific trajectories of such communities by focusing on the situated, distinctive and conflictual dimensions of their members' practice. The adopted perspective, inspired by Bourdieu' and Giddens' theories of practice, enables to narrate a more comprehensive – and somewhat darker – story of COPs' internal and external dynamics. In particular, it shows how, through their emergent practices, agents contribute to the reproduction of the social order they are engaged in. A case study based on a six-month participant observation, illustrates this approach. The case shows how the situation of practices is constructed and evolves over time through agents' actions and interactions. Practices appear linked to the representations agents develop of themselves and of their environment. Practices and representations of diverse groupings contribute to the political processes that unfold in and among them. The combination of unbalanced power relationships and of differentiated sets of memberships is liable to lead to the reproduction of the social order. Disruption of this order occurs from new and unexpected external pressures. A model of successive ordering, order and disruption of social structural properties is then advanced.

Keywords: change, practice, power/politics

FORMAL STRUCTURAL DETERMINANTS OF INFORMAL SOCIAL RELATIONSHIPS IN A HIGH-TECH SERVICE ORGANIZATION

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This paper tries to bridge the gap between formal and informal organizational structural analyses through a systematic study of the differential embeddedness of informal social relationships in the formal organizational context. Specifically, I examine three basic mechanisms through which formal organizational structures exert influences on informal social relationships: creation of social similarity, creation of social proximity, and non-random allocation of resources among organizational members. Different types of social relationships would be more or less sensitive to the structural opportunities in formal organizations. Ties that primarily serve instrumental purposes, such as professional advice, are likely better aligned with the formal hierarchy and formal working relationships than are expressive ties, like socialization, which mainly satisfy social and emotional needs. I test the theoretical ideas with empirical data from a high-tech service organization in China.

Keywords: organizational structures, social networks, organizational design

EXTENT OF DEREGULATION, SPEED OF GOVERNANCE ADAPTATION AND FIRM PERFORMANCE

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Government regulation in an industry is an intermediary in the principal-agent relationship that acts as a substitute for internal governance mechanisms. During deregulation as the onus of managing agency problems shifts from regulatory agencies to the firm, internal governance mechanisms will adapt towards the theoretical predictions of agency theory. We propose a model for studying how the extent of regulation impacts the speed of adaptation of internal governance mechanisms and firm performance. We propose that deregulatory pathways (economic versus social-lead) and a set of firm and individual-level contingencies moderate the above relationship.

Keywords: Agency Theory, Corporate Governance/Boards, Adaptation/Change

THE STRUCTURE OF ALLIANCE NETWORKS IN NEW ORGANIZATIONAL FIELDS: THE CASE OF NANOTECHNOLOGY

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This paper examines the alliance networks formed by startup firms in the emerging organizational field of nanotechnology during the initial phase of its life cycle. This early "period of ferment" is characterized by the introduction of many new designs and continues until dominant designs emerge (Anderson & Tushman, 1990). This research focuses on the overall structure of the alliance network of the new venture community in this nascent organizational field. Alliance networks are crucial to the establishment of new ventures. Alliances serve as conduits for needed resources, confer legitimacy, and permit outsourcing of activities lying outside the competencies of a startup. Structure will emerge at the network level because of endogenous characteristics of the network itself, independent of the actions of individual network members. Recent theoretical advances from the fields of physics and sociology provide a generalized theory of network structure. I use this new body of work to analyze the nanotechnology alliance configuration at the network level. This level of analysis is a departure from the traditional strategic alliance research focus on the specific networks of individual firms.

Keywords: Alliances, Innovation/Technology, Networks

INSTITUTIONAL ENTREPRENEUR IN CONTEXT: DECIPHERING ORGANIZATIONAL FIELD

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Recent research on institutional change has emphasized that institutional change should be studied 'in context' - i.e. that a research program should conduct studies looking at specific conditions of institutional embeddedness and resistance to change in order to generalize results and establish new research hypotheses. However, one condition to be able to study institutional change and resistance to change in context is to qualify precisely the types of context in presence. This means developing a typology of institutional fields, each type corresponding to a specific kind of institutional embeddedness and resistance to change. This article proposes such a typology. Two dimensions are identified as constituting the conditions of institutional embeddedness and resistance to change: the level of formalization of institutional constituencies and the coherence of institutional logics within the field. We then distinguish four archetypes of institutional fields: emerging, community, fragmented and mature. Drawing from

previous literature we then suggest in each of those organizational fields the ways in which institutional entrepreneurs can use contextual elements to implement institutional change.

Keywords: institutional theory, embeddedness, inter-organizational field

DOES TYPE OF OWNERSHIP MATTER FOR ORGANIZATIONAL PERFORMANCE?

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Research on the efficacy of alternate governance types has been dwarfed by the focus on the publicly traded corporation. We help redress this imbalance by comparing public, private, and partnership types of consulting firms. We find that public firms have lower performance, which we attribute to the agency costs, and lower motivation of junior professionals. Support was not found for the hypothesis that publicly traded firms reduce employment more rapidly during periods of declining performance to maintain performance ratios.

Keywords: corporate governance types, professional service firms, organizational effectiveness

IN AND OUT OF FASHION: RESOURCE SHIFTS & ORGANIZATIONAL CHANGE IN THE MANAGEMENT CONSULTING INDUSTRY

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How organizations respond to new opportunities in the environment is a fundamental question in organizational studies. For management consulting firms, changes in management fashion represent a shifting pattern of opportunity. Management fashions, or transitory collective beliefs that certain techniques lead to rational management progress, are typically characterized by a bell-shaped popularity curve: fashions experience a rapid rise in popularity followed by decline and replacement by a new fashion. In this paper, we investigate the behavior of management consulting firms over the fashion lifecycle. We posit that generalist consulting firms, i.e., those with a wide niche width, behave as opportunists, or "r strategists." On the other hand, we predict that specialists, i.e., those with a narrow niche width, run counter to the popularity of the fashion, or behave as "K strategists." We test these conjectures by examining the entry and exit of management consulting firms from the Total Quality Management (TQM) service niche as the associated fashion peaks and later declines. Consistent with our predictions, we find that generalist and specialist consulting firms behave differently over the lifecycle of the fashion: generalists are more likely to enter the niche, and less likely to exit it, when popularity is high. Proximate specialists, meanwhile, are more likely to enter after the fashion has declined considerably in popularity. Our results shed light on the supply side of the management-fashion market, and contribute to ecological theories of how organizations respond to opportunity shifts.

Keywords: Management Fashion, Organizational Ecology, Organizational Change

LOVE FOR SALE: ENDORSEMENT SEEKING BEHAVIOR OF NEW FIRMS IN AN EMERGING INDUSTRY

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New organizations in emerging industries face tremendous legitimacy related barriers that impede many new firms from producing and marketing a product or service. Meyer and Rowan (1977) theorized that firms using novel forms are more likely to seek endorsements from legitimate institutional actors than firms using established forms. This paper examines the variation in endorsement seeking behavior by nascent firms in the emerging independent power industry. In particular we examine variation in endorsement seeking behavior by firm's using new vs. established technology, an important aspect of organizational form. Results indicate that firms compensate for industry and technology related legitimacy constraints by seeking endorsements from powerful institutional actors. We also find that cumulative certifications play an important role in constructing a new industry's social identity, greater certification by industry participants legitimates the industry in the eyes of the public and decreases the necessity for ensuing founders to certify. This suggests that cumulative certifications in a new industry increases the industry's legitimacy, this legitimacy becomes a public good, making future certification less fruitful at the individual level.

Keywords: legitimacy, endorsement, power industry

STACKING THE DECK: THE EFFECTS OF UPPER ECHELON AFFILIATIONS FOR ENTREPRENEURIAL FIRMS

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In this study, we take an in-depth look at the role that the career histories of members of a young firm's upper echelon play in the success of a firm's initial public offering (IPO). Whereas prior organizational research has focused on the role of important intermediaries, such as the lead underwriter, for the performance of young firms, we focus here on the impact of a firm's upper echelon's employment-based affiliations. We theorize that at the time of IPO, investors look not only to intermediaries for indicators of firm quality but to the team leading the firm through the IPO as well. We also investigate the effects associated with the extent to which the affiliations of specific members of the upper echelon (e.g., Chief Financial Officer) match their roles and responsibilities at the issuing firm. Further, we consider the mediating influence of underwriter prestige on these effects. Analyses of a comprehensive set of data on the career histories of managing officers of young firms in the biotechnology industry show that IPO success depends on the upper echelon as a whole having substantial affiliations with prominent downstream organizations (i.e., pharmaceutical and/or healthcare companies) and with a diverse range of organizations. These findings remained robust even after accounting for the prestige of the firm's lead underwriter. Implications for organizational research on roles, upper echelons, and for research on the growth and evolution of young firms are discussed.

Keywords: embeddedness, innovation/technology, leadership

SOCIALIZATION FOR INNOVATION:HOW ORGANIZATIONS DEVELOP EXPERTISE WITH DIVERSE KNOWLEDGE AND NETWORKS

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Innovation is a collective process that unfolds over time among individuals, organizations and across institutional contexts. Previous research has not paid enough attention to how individuals, embedded within organizations and institutions, can be trained to span multiple domains and institutional contexts to innovate. Through a distinctive mission for innovation, an organization can imprint members with templates for organizing and coordinating innovation and can provide members with scripts for pursuing their roles. Organizations that enact brokerage roles expose their members to diverse knowledge, skills, and expert role models. This helps members create an approach for seeking and developing productive collaborative relationships in their own careers, and identify with the organization's unique mission for

innovation. A case study is presented of a distinctive educational organization that trains physicians, scientists and engineers to integrate and translate knowledge across disciplinary and professional domains to create innovation in medicine. This case demonstrates that organizations can take an active role in cultivating expertise to facilitate innovation among its members and across institutional contexts.

Keywords: innovation, institutional theory, networks

ECLECTICISM, METAPHORS AND PARADIGMS: NEW KNOWLEDGE PRODUCTS STRIPPED OF RHETORICAL WRAPPING PAPER.

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Recent developments in organizational theory point to an emergence of a new eclectic approach to knowledge generation and a subsequent critique of the notion of incommensurate paradigms. It seems that social constructivism is finally being taken seriously and that postmodernism is setting its mark on organizational knowledge production. Or so we think. In this article, we argue that the practice of eclecticism, i.e., of combining different theoretical elements for the purpose of generating new knowledge, is not a new practice at all. It took place all along though we never noticed. We seem to have been too focused on finding differences to closely examine commonalities in knowledge production. Through empirical analysis we examine the postmodernist claim that paradigms are incommensurate because they adopt different root metaphors to study the organization. Using neo-institutional theory as a case study, we analyze the use of metaphors in three key texts. The results indicate that the notion of incommensurate paradigms is a taken-for-granted truth, an unquestioned assumption, a script of knowledge production. We suggest that knowledge products are essentially eclectic, but that they are wrapped in rhetorical wrapping paper with different scripts. The wrapping paper helps sell new eclectic knowledge products to targeted consumers. We argue that two scripts of knowledge production, evolution and paradigms, are marketing strategies for modernist and postmodernist knowledge producers who both produce and sell eclectic knowledge products.

Keywords: eclecticism, paradigms, metaphors

THE NETWORK STRUCTURE OF SOCIAL CAPITAL IN DIFFERENT FIRMS

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The network structure of social capital is different in firms with different organizational contexts. Building on the organization and HRM literature, I distinguish two kinds of organizations: internal type organizations vs. market type organizations. I argue that in market type organizations, structural holes facilitate employees¡¯ career mobility, while in internal type organizations, strong norms of trust and needs for mutual helps demand cohesive networks. I propose that viewing network content as a fundamental contingency factor can help to understand the trade-off between these two kinds of social capital: structural holes and closure. Since organizations with different context tend to have different dominant network content, the network structure of social capital in different organizations varies. I will collect data in four prototypical firms in high-tech industry to test my propositions. Theoretical and practical implications are discussed at the end.

Keywords: networks, different firms, social capital

QUALITATIVE INVESTIGATIONS:EVOKING CHANGE AND EGALITARIANISM IN A KNOWLEDGE BASED WORLD.

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This paper discusses the question of change and egalitarianism in a knowledge based world. At a time when innovating strategies for driving organizational change call for the management of cultures and diversity, how can we overcome the limits of traditional methodologies in the apprehension of human conduct? Today's knowledge workers are searching for deeper meaning. The ability to drive true change in organizations requires an understanding of their heart and souls, versus establishing a universal knowledge. If organizations are to effectively change, paradigms for investigating and intervening must also change. To illustrate this point, this paper examines two recent postmodern organizational development strategies for investigating and intervening in critical organizational issues and for moving an organization towards a different level of understanding of change processes. The first strategy investigates, through the use of Appreciative Inquiry methodology, the concept of valuing diversity. When utilizing Appreciative Inquiry as a diversity initiative, experience has suggested that the act of invoking positive dialogue through a visioning process promotes conversation relative to core values and strategies, which can begin to diminish differences among people in organizations. The second strategy consists of a qualitative study in a highly complex European Hospitals merger that investigates, through discourse analysis, the concepts of organizational trust and information exchange, in a context of bringing together three different organizational cultures. The discursive approach favored the understanding of control relationships and the subjective feelings that impact the implementation of control processes inherent to moving the change process forward and regulating business.

Keywords: culture, change, post modern

POLICY, PRACTICE, LEGITIMACY: ENVIRONMENTAL MANAGEMENT IN PAPER INDUSTRY FIRMS

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Despite the relatively large number of studies accomplished from institutional perspective it seems, however, that some fundamental questions for institutional theory have not yet been addressed in the environmental management domain. Whereas formal policies provide institutional legitimacy, informal policies provide operational efficiency by buffering the technical core of organizations. The further conceptualisation of the mechanisms that condition the extent to which organizations couple or decouple their informal practices from formal policies has proceeded slowly. In this paper, we aim to make a contribution to this stream of research by examining the decoupling of informal environmental practices from formal environmental policies of major paper industry firms. In addition to empirical extension in the form of approaching environmental management from this previously omitted theoretical angle within institutional theory we also make an analytical extension to previous research. We complement previously dominant levels of analysis, those of informal practices and formal policies with external legitimacy. In particular, we may observe whether, as institutional theory predicts, the degree of decoupling between formal policies and informal practices is independent from the degree of institutional legitimacy of firms. This takes place by examining the extent to which inconsistencies between formally adopted policies and informal practices coincide with institutional legitimacy. The study confirms that decoupling between formal environmental policies and informal environmental practices may enhance legitimacy More importantly, we show that paper industry firms differ significantly from each other on the extent to which their informal environmental practices are decoupled from their formal environmental policies.

Keywords: management, practices, legitimacy

BETWEEN RHETORICS AND PRACTICE: THE CASE OF JUSTIFYING FOREIGN EXPANSION

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Institutional organization theory has recently started to reassess the relationship between organisational rhetorics and practice. This is largely because a lack of consensus that persists on whether rhetorics reflect, mediate or constitute change in organisational practices. In this paper, we explore the justifying rhetorics on foreign expansion of three process industry firms. Our analyses confirm that organisational practices and its justifying rhetorics change in concert. More importantly, the study suggests that the relationship between organisational rhetorics and practice is practice-specific. In consequence, justifying rhetorics reflect - although they are not determined by - the characteristics of those practices that they are used to justify.

Keywords: rhetorics, practice, institutionalization

POLITICAL LIBERALISM, MANAGEMENT, AND ORGANIZATION THEORY

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In North-American political philosophy, liberalism has been attacked over the last 25 years from mainly two intellectual strands: communitarianism and libertarianism. This article explores prominent management concepts and selected organization theories with respect to their position to political liberalism and points out that a number of them resemble and exemplify the communitarian or libertarian critique of, or discontents with, liberalism. The article identifies corporate culture, business reengineering, and anti-bureaucratism as managerial antiliberalism, and Foucault-based and sensemaking-oriented organization theories as intellectual antiliberalism. By establishing this link between political philosophy and management thought and by identifying the antiliberal undercurrents of prominent approaches in management and organization theory, the article illustrates the ideational background of recent corporate scandals and outlines the contours of a liberalist approach to organization theory.

Keywords: liberalism, organization theory, corporate scandals

THE RESOURCE-BASED THEORY: DISSEMINATION AND MAIN TRENDS

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Papers published on the resource-based theory (RBT) have made clear its widespread application, heterogeneity, and usefulness as a strategic approach. This paper empirically analyses the assumptions underlying the theory from an inductive perspective. The paper differs from previous works by identifying the main trends within the theory and by noting their diffusion among the leading management-oriented journals. Three main trends are shown to co-exist within RBT—the resource-based view, the knowledge-based view, and the relational view. The diffusion of these trends among the main journals is noted in terms of their editorial scope and their geographic location.

Keywords: Resource-Based Theory, Bibliometrics, Citations

CREATING KNOWLEDGE: THE POWER AND LOGIC OF ARTICULATION

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In spite of the significance assigned to the idea of 'tacit knowledge' in recent literature, there is no consensus as to precisely what is meant by the term. Moreover, the current interest in the tacit aspects of knowledge has tended to divert attention from the economically much more obvious significance of its converse, explicit or articulated knowledge, and, by implication, the importance of articulation, the process through which tacit skills and knowledge are made explicit. This paper addresses both of these problems. The paper analyzes the relationship between economically significant skills and capabilities and the various types of knowledge that inform them. Based on a taxonomy of knowledge, historical and present day examples are used to illustrate the significance of articulation – the process whereby tacit knowledge becomes articulated – and codification – the process of rendering articulated knowledge in fixed, standardized and easily replicable form. The model is applied in a discussion of the incentives that induce epistemic communities to articulate their knowledge. It is argued that with two major exceptions – social skills and creativity – most forms of economically relevant knowledge can be articulated. Whether or not articulation will take place will be determined by the expected benefits, the value attached to these benefits and by the cost and effort required. The benefits include (1) the speeding up of innovation and knowledge creation, (2) advantages associated with division of labor, and (3) improved capabilities for replication and control. The costs depend on the availability of suitable codes, theories and tools. Emphasizing the roles of different kinds of epistemic communities as the locales where knowledge resides and as agents of articulation and knowledge creation, the paper outlines a number of theoretical implications regarding the role of knowledge – tacit and otherwise – for the competitiveness of firms and in 'knowledge based' versions of the theory of the firm.

Keywords: Tacit knowledge, Articulation, Epistemic communities

ORGANIZATIONAL CULTURE AND ETHICAL AMBIVALENCE AS DETERMINANTS OF ESCALATION OF COMMITMENT

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Scholars have investigated the escalation of commitment phenomenon using individual/group explanations and laboratory tests of the construct that emphasize the cognitive biases of individual decision makers. This paper suggests that escalation of commitment may instead be a culturally determined process that is institutionalized through norms, stories, and myths of various organizational cultures. This perspective contributes to theory development on escalation of commitment by introducing the impact of negative moral consequences on the tendency to escalate commitment to failing courses of action. The paper presents a series of propositions and a model that adds two critical components to the understanding of escalation of commitment, namely, the impact of cultural norms and attention to ethical consequences on escalation behavior. The model includes three specific cultural norms that encourage escalation behavior and four cultural norms that may prevent it. We develop the argument that managers can reduce escalation behavior within organizations by fostering cultural norms that encourage prospective rationality, honesty in reporting, diffusion of blame, and the creative generation of alternatives to escalation, while discouraging impression management and ethical ambivalence. The set of de-escalation strategies and policies that the paper offers move away from more typical laboratory treatments of this phenomenon and provide a link between escalation theory and business practice. They provide a guide for managers wishing to avoid erroneously "throwing good money after bad."

Keywords: Culture, Norms, Escalation

NOT BY CONFORMITY ALONE: MANAGEMENT CONSULTANTS' INFLUENCE ON ADOPTION BEHAVIOR AND PERFORMANCE

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This study examines how management consultants influence the form and consequences of administrative innovations. Hypotheses regarding frequency of use, perceived helpfulness, conformity to normative forms, and firm performance are tested with survey data on manufacturing best practices programs from 800 manufacturing sites in Australia and New Zealand. Comparative hypotheses for the influence of help received from customers and suppliers are also developed. The results show a clear shift towards consultants as adoption becomes widespread. For later adopters, use of consultants is more frequent and perceived helpfulness of consultants is higher. In contrast, the perceived helpfulness of relationships with customers and suppliers decreases for later adopters. Use of consultants increases conformity to normative configurations of practices, as expected – but no more so than working with suppliers. Lower performance on key best-practice-related measures is observed when consultants are used, whereas help from suppliers or customers shows no such negative relationship. Interestingly, the negative relationship between consultant use and performance remains even after conformity in adoption is controlled for. The study thus clarifies the role of consultants, suggesting that while they – among others - influence conformity across adopting populations, the influence of consultant involvement on performance is not obtained through conformity alone. Implications for neoinstitutional theory and theories of management fad and fashion are discussed.

Keywords: Institutional Theory, Change / Adaptation, Inter-organizational Fields & Linkages

BOARD CAPABILITY:AN INTEGRATED PERSPECTIVE ON BOARD COMPOSITION, STRUCTURE AND INTERACTION PROCESSES

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In this conceptual paper, I argue that the lack of consistent empirical findings in past research on the performance impact of boards of directors may be due to two conceptual gaps: one, past research has so far ignored the interaction processes that take place in the board; two, past research has tried to link isolated board aspects, such as board composition or board structure, to firm performance. Instead, this paper proposes that research on boards should consider a variety of board aspects simultaneously, including board interaction processes. In order to facilitate this, the concept of 'board capability' is developed in this paper. Board capability entails the composition, structure and interactions of the board of directors that enable it to solve a variety of problems competently over time. This dynamic concept allows tying existing insights on boards into the explanation of boards' performance implications. The paper also identifies interdependencies among the three building blocks of the board capability concept (composition, structure and interactions) and follows that the optimal configuration of board capability may not be the same for all firms. In contrast to extant board research, it suggests that the optimal board capability configuration for a firm may be contingent on a firm's specific situation.

Keywords: boards of directors, interactions, capabilities

TWO LENSES ON A PROCESS: CATEGORIZATION AND CONFORMITY DURING INSTITUTIONALIZATION

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We compare two alternative approaches to conceptualizing and measuring the institutionalization of administrative practices. While both approaches recognize that institutionalization involves the reciprocal interaction between cognition and action, one approach – which has been used extensively in prior work – emphasizes isomorphism and conformity as central characteristics of institutionalization. Our alternative approach begins with Berger and Luckmann's original definition and then exploits insights from cognition research regarding cognitive categorization processes. We argue that the emergence of a reciprocated field-level grading of practices within a category (e.g. "Manufacturing Best Practices") leads later adopters to adopt some practices in preference to others. We use data on "Manufacturing Best Practices" programs among 800 manufacturing sites in Australia and New Zealand to compare the two approaches. Results show the level of conformity does not monotonically increase with time of adoption, even while there is increasing discourse about and widespread adoption of manufacturing best practices programs. Thus conformity, isomorphism and institutionalization do not seem as straightforwardly related as is suggested by the first approach, at least in this case. On the other hand, over-time adoption patterns are consistent with monotonically increasing grading of practices within the category - and thus with increasing institutionalization as conceptualized in our alternative approach. We discuss theoretical implications of these results and draw out assumptions underlying the two approaches to institutionalization, in order to predict situations in which each is more likely to be appropriate.

Keywords: cognition, institutional theory, inter-organizational fields

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DISCOVERING THE INSTITUTIONAL LOGIC OF THE INDUSTRY CLUSTER PARADIGM

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This paper provides an institutional theory perspective on the new industry cluster paradigm. It shows how this new paradigm of competition relates to and integrates important economic actors and identities - nation states, firms, and regions. Emphasizing the importance of a historical perspective, it examines the relationships among these economic actors and globalization - both as a process and as a discourse - and shows how these relationships as well as the identities of the economic actors are redefined in the cluster paradigm, releasing tensions caused by globalization. What makes the cluster paradigm new is that, as a model or recipe of action, it enables a new set of actions, and actors, to exist in economic development. Unfolding the industry cluster paradigm reveals a new, integrative logic of organizing industries. A central characteristic of this logic is the reemergence of the region as a primary economic actor and identity in an era of globalization.

Keywords: Institutional Logics, Industry Clusters, Globalization

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MOMENTUM AND SERENDIPITY: HOW ACQUIRED LEADERS CREATE VALUE IN THE INTEGRATION OF TECHNOLOGY FIRMS

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Merger and acquisition activity is a critical means for high technology firms to obtain the resources needed to compete in global markets. Effective integration is essential to making these acquisitions successful. Prior studies of acquisition integration have focused primarily on the role of the acquiring rather than acquired firms, and have had limited granularity in their view of integration activities. In this study, I use grounded theory-building techniques to examine the integration of eight high-tech acquisitions. I find that acquired managers play a key role in achieving two types of value: expected and serendipitous. Acquired CEOs can promote the realization of expected value if they preserve the momentum of the acquired organization, ensuring that the company's technology resources continue to develop despite the turmoil created by being acquired. Acquired personnel can generate serendipitous value if they are given responsibilities across both the acquired and acquiring organizations, enabling them to use their unique knowledge and skills to identify and exploit unanticipated opportunities.

THE EMERGENCE OF THE BROADBAND ACCESS INDUSTRY: THE IMPACT OF LEGITIMACY ON POPULATION ENTRY RATES

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Building on insights from population ecology and institutional theory, this study attempts to extend the understanding of how legitimacy contributes to the creation of new organizational populations. Aldrich and Fiol (1994) observed that a fundamental problem facing innovators and entrepreneurs in nascent industries is the lack of legitimacy of new technologies, firm strategies, and organizational forms which could be used to obtained needed resources and support. Population ecologists have observed that density-dependent legitimacy and competition effects influence the pattern of organizational foundings. However, since the measurement of legitimacy and competition depends on the presence of population density, existing research has focused on established organizational populations rather than emergent ones; less attention has been directed to examining the processes leading up to the creation of a future new organizational population. This study combines a traditional population ecology approach with a content analysis method that allows an examination of the legitimation process occurring even before the emergence of a population. Both the density-dependent measures of legitimacy and competition as well as media-based measures of legitimacy were combined in a model of entry rates in a population of broadband Internet access providers from 1993 to early 2000. The study found significant support for both density-dependent and media-based variables, plus a potential mediating role for density variables between economic and demographic factors and entry rates, demonstrating the complex nature of the influence of legitimacy on foundings as well as its role in the emergence of new organizational populations.

BIVARIATE MODELS OF FIT IN CONTINGENCY THEORY: CRITIQUE AND A POLYNOMIAL REGRESSION ALTERNATIVE

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Contingency theory, though one of the most established schools of thought in organization theory, had not had much empirical success. A plausible reason for this frustrating situation may be that the concept of fit, which lies at the heart of the theory, has not been properly conceptualized. A polynomial regression model of fit is proposed as a more simple, general, robust, and encompassing alternative to the three common bivariate models of fit (selection, interaction, and deviation scores). These three models are presented and critiqued. Then the functional form of fit implied by polynomial regression and its relation to the existing models of fit are discussed, followed by an illustrative analysis comparing the models based on a pseudo-random artificial database.

RECIPROCITY: A SYNTHETIC CONCEPT BETWEEN THE ECONOMIC AND SOCIAL PERSPECTIVES ON EXCHANGE

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This study attempts to bridge traditionally divergent perspectives on exchange – economic and social. It offers an explanation for exchanges that occur closer to the midpoint, embedded exchanges, where social and economic outcomes both matter. By elaborating a theory of reciprocity, which is fundamental

to all exchanges, we are able to synthesize the economic and social perspectives on exchange and posit a concrete account of how exchanges that occur at the midpoint are simultaneously affected by social and economic factors.

Keywords: Economic Exchange, Reciprocity, Social Exchange

SILENT TIES WITHIN WORKPLACE SOCIAL NETWORKS: AN EMPIRICAL STUDY OF FACTORY "HOMERS"

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The relevance of material artifacts has been historically more readily reported in non-western civilizations than in contemporary societies. Yet material artifacts permeate our societies as well, including work environments. "Homers", i.e.: objects produced for personal use by factory employees on company time and with company material or tools, are one example of such artifacts and range in scope from a delicate glass flower to a sturdy steel ashtray. Homers seem, at first, part of an industrial folklore. Why then bother with such artifacts? The first part of this paper reviews evidence of homers mainly in France and North America. Repeated testimonies hint towards more than isolated deviance and question the legal equation of homers with individual occasional theft. This patterns calls for a closer look at this "folklore". The second part of this paper offers such an exploration by analyzing homer practices in a French aerospace factory. Data were collected over a year and a half and involved repeated interviews and field observations. Silences, giggles and denials around homers are first evoked. Collective (rather than individual) aspects of homers are then documented as well as managerial tolerance towards homers. Regulating qualities of homers on official work are also detailed. This study of homers first highlights ways in which material artifacts sustain and create social networks. Second it qualifies the nature of social ties at work and suggests how "silent" ties are inherent part of social networks. Finally it shows how silences surrounding homers provide opportunities for regulation.

Keywords: clandestine work, industrial sociology, silence

ORGANIZATIONAL CULTURE, ALLIANCE CAPABILITIES AND RELATIONSHIP PERFORMANCE

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In this paper we aim to explain the performance of cooperative efforts between firms. Our main thesis is that relationship performance depends on a firm's alliance capabilities, which in turn are dependent on internal characteristics, in particular organizational culture. Using data from 95 Dutch SMEs, we find general support for our thesis. The alliance capabilities of a firm are correlated with a number of dimensions of organizational culture, and alliance capabilities in turn affect the certain aspects of relationship performance. The latter result implies that a firm's alliance capabilities are especially relevant when firms want to achieve more than only direct financial gain from cooperative efforts, and wish to gain new contacts, learn form a partner, or promote innovation.

Keywords: alliances, culture, performance

ABDUCTION: A (RE)INTRODUCTION

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This paper offers a reintroduction to the concept of abduction. Peirce developed this mode of inference within the school of pragmatism. Abduction is a process of syntheses among our sensitizing concepts to construct meaning and understanding based on observation and experience. In doing so, we build a representation of that experience. The development and definition of abduction is reviewed and refined in order to produce a model of abductive theorizing. A discussion of how current management research may be informed by taking an abductive approach follows, and several topics are selected as examples.

Keywords: abduction, theory building, Peirce

INNOVATION AS AN ONGOING PROCESS OF STRUCTURATION

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The expanding innovation processes literature is supportive of the significance of two conflicting social forces. On the one hand, firm success depends on the ability to win through radical change and strategic action. On the other hand, firm survival depends on a steady commitment and conformity to order and structure. Although the fundamental tension between action and structure in an evolutionary cycle of technology development is generally recognised, researchers have paid less attention to reconcile the action-structure dichotomy and, partly as a result, still struggle to identify for stable cause-effect relationship in innovation activity. With this paper using the personal computer as an illustration, we develop a model in which technology development occurs in the reciprocal link between action and structure (rules and resources). Implications for business practice are discussed.

Keywords: innovation processes, institutional theory, Structuration theory

INFLUENCE OF ORGANIZATIONAL ATTENTION ON EXPLOITING STRATEGIC KNOWLEDGE: TOWARD A THEORETICAL BASIS

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Knowledge flows and transfer processes are clearly of vital significance to organizational strategy. However, the literature discusses several kinds of filters--e.g. absorptive capacity, bounded rationality-- that prevent the exploitation of the knowledge resources available to the organization. In this work we will discuss the term organizational attention as a knowledge filter. This filter operates as a gateway and determines which knowledge will be processed by the organization and in what way. The research focuses on firms that pursue a replication strategy--i.e. organizations that copy their own business model to create large number of similar outlets that deliver a product or perform a service--like McDonalds or Starbucks. These organizations are experienced in extensive transfer of knowledge. The replicated business model as a template of knowledge needs to be transferred to each outlet. The proposed research will examine the influence of organizational attention on exploiting knowledge as a strategic resource and specifically on three indications of the success of the replication strategy, namely accuracy, similarity, and distinctiveness. These three variables help us understand the nature of templates and the processes involved in transferring the explicit and tacit knowledge contained therein.

Keywords: knowledge, attention, strategy

MANAGERIAL CHOICE IN THE USE OF COMPLEX CONTROL SYSTEMS: AN INFORMATION PROCESSING PERSPECTIVE

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This paper investigates issues surrounding the implementation of complex control systems. This study adopts an information processing perspective to explain why effective managers use multiple forms of control and select distinct combinations of multiple controls in different control system environments. We use a computational model to build three forms of control systems (market, bureaucratic, clan) and seven control target combinations (input, process, output, input/process, process/output, input/output, input/process/output). Using this model, we examine how effectively managers operating in different control environments direct various types of organizational tasks using combinations of control systems and control targets. Results of this study demonstrate that effective managers use multiple controls to distribute decision-making responsibilities between themselves and their subordinates. The authors suggest that findings from this study should direct scholars to incorporate the value of both an information-processing perspective and measurement models in future control research. Furthermore, the study concludes with a discussion of the contribution of computational models to control research.

Keywords: Organizational Control, Information Processing, Process Management

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MULTILEVEL DETERMINANTS AND PROCESSES OF INSTITUTIONAL CHANGE

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Institutional change is attracting increasing attention among organizational scholars, yet our understanding of how it comes about remains blurred. While most studies focus on the organizational field level of analysis, a multilevel approach would facilitate comprehension of the dynamic interplay of forces that drive institutional change. This paper takes a multilevel, longitudinal, process-focused approach to examine institutional change within the BC coastal forest industry. Over two decades, forest companies went from strenuously resisting pressures from environmentalists, to working together with them to identify joint solutions. These changes were led by an institutionally-entrepreneurial firm. Through a grounded theory analysis of multiple types and sources of data (interviews, public events, organizational archives, extensive media reports…), I identified key field-level determinants (and processes) of institutional change. These include changes in membership, changes in relational patterns (allying, activating, negotiating or severing ties), changes in interpretations (meaning making), changes in stakeholder salience (influence building), and changed incentives. These processes and determinants were reciprocally influenced by changes in the broader environment, and changes at the institutionally-entrepreneurial firm. Determinants and processes at the institutionally-entrepreneurial firm were, in part, analogous to those at the field level. I conclude that institutional entrepreneurs engage in meaning making with others to create impetus for change at both the field and firm levels. Meaning making is most successful via relationships. Institutional entrepreneurs use their allies' resources to increase their own power and legitimacy, ultimately changing incentives in the field. These changed incentives ease the acceptance and diffusion of functionally superior practices.

Keywords: Institutional Change, Multilevel, Longitudinal Processes

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A FOUR-LAYER MODEL FOR STUDYING ORGANIZATIONAL STRUCTURE

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This paper proposes a model for the study of organizations consisting of four interrelated superimposed layers of organizations. This four-layer model is based on the analysis of more than 150 research interviews with R&D managers and senior corporate officers about managing innovation, technological and organizational change. Each layer is devoted to a particular perspective of organization, describing key drivers and dilemmas. The first layer is concerned with geographical and legal aspects of organizations, describing the importance of proximity to customers and local know-how clusters and the need of a balance between local effectiveness and lack of synergy. The second layer is devoted to functions and hierarchy, with specialization and techno-centricity as drivers and the basic dilemma of efficiency versus compartmentalization. The third organizational layer comprises of projects and processes, the benefits of customers focus and transparency and the challenges of resource-specificity and know-how reutilization. The fourth layer is the structure of networks, outlining islands of knowledge and the need to manage virtual relationships and long-term innovation. While the first two layers are usually considered to improve efficiency and structure in organizations, the third and fourth layers increase effectiveness and cross-disciplinary communication. The paper discusses and illustrates the use of this model for the description and analysis of - Organizational change and innovation in directed organizational initiatives, - Formalization and establishment of non-canonical practices, - Organizational and knowledge redundancy for strategic flexibility. Management and design of each layer increases organizational functionality for innovation, strategic change, and organizational communication.

Keywords: Innovation, Organization, Framework

A THEORY OF THE CULTURAL EVOLUTION OF THE FIRM: THE INTRAORGANIZATIONAL ECOLOGY OF MEMES

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In this paper we propose a theory of the cultural evolution of the firm. We apply cultural and evolutionary thinking to the questions posed by theories of the firm: What are firms and why do they exist? We argue that firms are best thought of as cultures, as social distributions of modes of thought and forms of externalization. Using the term meme to refer collectively to cultural modes of thought--ideas, beliefs, assumptions, values, interpretive schema, and know-how--we describe culture as a social phenomena, patterns of symbolic communication and behavior that are produced as members of the group enact the memes they have acquired as part of the culture. Memes spread from mind to mind as they are enacted and the resulting cultural patterns are observed and interpreted by others. The uncertainties of interpretation and the possibilities of reinterpretation and recontextualization create variation in the memes as they spread. Over time, firms evolve as a process of the selection, variation, and retention of memes. Our claim is that understanding firms in this way provides a new perspective-what we call the meme's-eye view-on the question of why we have the firms we have and, by allowing us to shed the functionalist assumptions shared by both economics and knowledge-based theories of the firm, makes possible a genuinely descriptive, as opposed to normative, theory of why we have the firms that we have.

Keywords: Evolutionary Theory, Culture, Adaptation/Change

TRICKLE-UP AND TRICKLE-DOWN - INSTITUTIONALIZED NORMS AND THE SPREAD OF NEW IDEAS

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A central proposition in neo-institutional theory is that institutionalized norms facilitate the spread of ideas considered 'legitimate' within an organizational field. This paper presents an empirical investigation of the much less researched corollary to this proposition – that norms also restrict the type of ideas that spread within an organizational field. Most of the earlier studies investigating this corollary have been limited in important ways, for example by not taking into account the rival 'relative efficiency hypotheses' from economic diffusion theory. By simultaneously investigating the spread of legitimate and illegitimate

product categories, while controlling for differences in their relative efficiency to adopters, the paper contributes to neo-institutional diffusion literature, the understanding of competitive inertia of firms, as well as to the greater literature on how ideas spread among organizations. To ground the notion of 'legitimate' and 'illegitimate' product introductions the paper presents a qualitative investigation of the development of a 'competitive logic' its related managerial views on product introductions. A quantitative analysis, using event-history data of the complete universe of product introductions in the Swedish market for mutual funds, then analyzes firm-level product introduction patterns. Key findings relate the institutional embeddedness of a firm to its likelihood of introducing more or less legitimate products, as well as show the differences in the contagion mechanism of differently legitimate products.

Keywords: None

CAUGHT IN THE NICHE OF TIME: THE IMPACT OF CONSUMER COHORTS ON INCUMBENT RETAIL.

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Large-format stores offer consumers low-priced goods and services in massive structures that hold several times the number of products that traditional retailers carry. The location, assortment and price, matched with the one-stop convenience and extended hours of operation, has made big-box retail welcome to time-strapped consumers: This is particularly appealing to cost-conscious, family-rearing consumers, where the perception of everyday low prices can outweigh the cost of searching for best value. Incumbent small retailers struggle with the presence of large-formats in their trade area not only because of the often studied competition they generate, but also because of the less discussed changes in consumers' preferences that led to the creation of large-formats in the first place that work against the efforts of the incumbents. This is the first study to look at the impact of entering large-format retailers on incumbents longitudinally, involving four points of data collection over six years, including pre-entry data with incumbent small retailers as the unit of analysis. This is also the first study of incumbent retailers that includes firm failure as an outcome variable, offering a rare look into pre-existing conditions of incumbents that lead to firm failure. The paper provides an analysis of change in consumer cohort group preferences, providing a lens into the external environment and linking cohort research with population ecology, explaining how shifting preferences can move consumers from one niche into another based upon the values of generational cohorts (in particular, the large Baby-Boomer age cohort), thereby leaving incumbents stranded.

Keywords: cohort analysis, retail, organizational change

STRUCTURE, LOCAL-BEHAVIOR AND PERFORMANCE: A COMPUTATIONAL APPROACH

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Spatial organization is an important component of the life of many social and biological organisms. Resource exchange, competition, cultural transmission, social influence, comparison and cohesion are all processes that are directly affected by – and at the same time induce patterns of spatial organization. Because they implicate only a subset of all possible ties embedded in more general network structures, these processes have a distinct local character, i.e., they are observable only within clearly bounded, but overlapping neighborhoods. The concatenation of local processes then shapes the aggregate dynamics of social settings through vacancy chain-like resource allocation mechanisms. To explore the value of this interaction-based view of social organizations, in this paper we propose a computational model in which agents arrayed on a one-dimensional lattice with periodic boundary conditions try to solve a discrete choice problem by interacting according to strictly local rules. We show that this neighborhood-based system produces a variety of emergent patterns of social organization. We document how these patterns are sensitive to hypotheses about the range of local interaction and about the expectation formation

mechanisms in terms of which the strategies adopted by individual agents are defined. Within the lattice world that we define we discover a concave relation between the sensitivity of individual agents to new information (cognitive inertia) and system-level performance. These results provide experimental evidence in favor of the general claim that the evolutionary dynamics of social systems is directly affected by patterns of spatial organization induced by network-based activities.

Keywords: Computation, Network, Spatial

INTENTIONALITY AND ORGANIZATIONAL EVOLUTION

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This paper integrates and extends existing accounts of intra-organizational evolutionary processes. We integrate current knowledge on how operational and change routines evolve with recent views on the evolution of firm strategies, and of individual psychological attributes of both cognitive and non-cognitive nature. We first discuss how each of these elements evolve and develop propositions on the role intentionality plays in these processes. We then elaborate on how the evolution of each element might be linked to that of the others through both deliberate and emergent processes. Finally, reflections on some of the most promising avenues for further development of an integrated research agenda on organizational evolution across levels of analysis are offered.

Keywords: organizational evolution, evolutionary economics, intentionality

TOWARDS A THEORY OF ORGANIZING IN THE INTERNET ECONOMY: OPPORTUNISM AS INTENDED STRATEGY

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The incorporation of internet technologies into organizational routines have indubitably transformed and significantly broadened the strategic options of internet-based firms. However, the problems of efficient and effective organizing in the nascent internet economy - characterized by high level of technological complexity - have highlighted the paradoxical behavior of de novo internet-based virtual firms. During the initial (formative) stage of its life cycle, an internet-based virtual firm is embedded in a network of 'opportunistic' alliances and is thus a paradox. It is so because, by indulging in opportunistic alliances - to harness the power of market forces to develop, manufacture, market, distribute and support its products - it erodes its value as a collaborator. However, in contrast to existing conventional wisdom, de novo internet-based firms develop collaborative capabilities by resorting to multiple 'opportunistic' partnerships. Building on the primary assumption of embeddedness of the focal firm in a network of alliances as a necessary condition for exercising the choice of virtual governance, I explain how opportunism as an intended organizational strategy enables internet-based firms to manage the complexity of their technological environment in the short-term. De novo internet-based firms seek to rapidly establish themselves in the center of a network of 'opportunistic' alliances. As the industry matures, the internet-based firms embedded in a network of short-term 'opportunistic' alliances seek to convert it into a network of long-term 'strategic' alliances.

Keywords: Opportunism, virtual governance, internet economy

POWER AND POLITICAL CAPITAL IN ORGANIZATIONS: AN INTEGRATIVE PERSPECTIVE

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Existing treatments of intraorganizational power describe it as a personal characteristic, an action and an outcome. While each descriptive model of power is empirically demonstrable, the differences among them preclude the development of a unitary theory. This paper introduces the political capital perspective on power. Political capital in organizations is the stock of available resources employed to affect organizational actions, decisions, and outcomes. Power is defined as the effective mobilization of political capital, despite resistance. This definition distinguishes political capital or potential power from effective power, which is a function of political capital, mobilization, skill, and effective resistance. This perspective presents a framework for analyzing power, helps reconcile the differences within the literature, and facilitates the development of predictive theories.

Keywords: Power, Political, Capital

RELATIONAL EMBEDDEDNESS: SPECIFICATION DEVELOPMENT AND THE AMALGAMATION OF EQUALITY MATCHING

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When specifying relational embeddedness, it is not sufficient to look for a relationship that exhibits the key constructs of relational embeddedness (e.g., trust, non-economic rationale, social relations, or reciprocity) independently of each other. Relational embeddedness is a specification set that needs to exist as a whole. This paper calls for the accumulation of a specification set into one theoretical work - to become the framework for future empirical investigations. This paper begins this reaffirmation / development process by amalgamating the works of embeddedness researchers with Fiske's work - "Structure of Social Life: The Four Elementary Forms of Human Relations." This paper has (1) developed 16 propositions that enhance the specification of relational embeddedness, (2) argued for greater differentiation between relational and the non-related contextual embeddedness, and (3) equated relational embeddedness with Equality Matching to create a positivist approach to the principles of embeddedness that increase its explanatory power and introduces the notion of managerial manipulation of relational embeddedness.

Keywords: embeddedness

DISPERSED COLLABORATION IN A MULTI-FIRM, MULTI-TEAM PRODUCT-DEVELOPMENT PROJECT

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The paper reports on an inductive case analysis of work patterns in a virtual multilateral (multi-organization, multi-team) development organization (VMDO) composed of a lead firm and its suppliers. These firms successfully co-developed across significant geographic boundaries a complex aerospace product, and had limited prior experience of working together. I find the lead firm's imposition of administrative standards for work content and timing to have provided an efficient basis for the resolution of task interdependencies, thereby allowing integrative work patterns to emerge. The process by which these standards were imposed is examined, and implications for the management of VMDOs are identified.

AN EXTENDED KNOWLEDGE-BASED VIEW OF TURNOVER

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This conceptual paper examines the impact of turnover on organizational performance from a knowledge-based perspective. Past research on performance implications of turnover has predominantly viewed turnover from an individualistic perspective, aggregating the individual costs and benefits of employee turnover to an organizational level. These studies implicitly or explicitly assume that knowledge is predominantly embedded in individuals: on the one hand, they presume that if employees leave the organization, their individual knowledge is lost, resulting in costs for the organization. On the other hand, the innovative potential of turnover is mainly seen as individuals transferring knowledge into the organization. The present paper challenges the assumption of the primary importance of individual knowledge. Building on previous work on turnover, it proposes that turnover also affects knowledge embedded in social structures and influences an organization's ability to create new knowledge.

CUBISM AND ORGANIZATIONAL ANALYSIS: REVISITING REPRESENTATION IN THE AGE OF THE KNOWLEDGE ECONOMY

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We suggest that interest in the new times of the knowledge economy may privilege attention to new organizational forms and new approaches to studying them at the expense of those from the past. Arguing that concerns with representation are not necessarily related either to postmodern epistemology or to postmodern epoch, we show how the modernist movement of cubism was an earlier complication of representation that has much to contribute to both the form and content of contemporary organizational studies. We identify some of the main tenets of a cubist approach to organizational analysis and argue that cubism offers an extension to current interest in aesthetics within organizational studies. Cubism, we argue, offers an aesthetic contribution that may supplement contemporary approaches to small-scale organizational studies by slowing them down: by allowing attention to repetition, to the mundane and to the taken for granted.

POWER IMBALANCE AND INTERDEPENDENCE: AN ANALYSIS OF MERGER PATTERNS IN THE U.S. ECONOMY

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We review Emerson's (1962) original conceptualization of power-dependence relations, and contrast it with existing treatments of constraint in inter-organizational research, which substitute Emerson's intrinsically dyadic theory with individually focused analyses. We illustrate how progressing from the individual to the dyadic unit of analysis yields distinct notions of power imbalance and interdependence that produce new and untested hypotheses concerning the creation of inter-firm ties. We then carry out an empirical test of these hypotheses by analyzing data on inter-industry mergers among U.S. public

companies during the period 1985-2000. Our results amend the conclusion of past research that mergers are fruits of dependence and its converse, power. We show, instead, that a critical underlying driver of mergers is dyadic interdependence, with unbalanced power acting in fact as an obstacle to merger formation. This dyadic specification of the mechanisms through which structural constraint affects inter-firm behavior increases sensibly the predictive power of resource dependence theories of inter-organizational action.

Keywords: Power, Interdependence, Mergers

COUNTING CHICKENS BEFORE THEY HATCH: EXECUTIVE VALUATION AND PERCEPTION OF INCENTIVE COMPENSATION

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Incentive compensation has claimed a significant role in corporate governance systems; however, support for the efficacy of such pay to discipline executive behavior remains anecdotally and empirically inconclusive. In response, we suggest that manner in which the amount of executive pay is operationalized in compensation research is problematic, as this figure typically reflects its cost to shareholders rather than the value executives assign to the compensation in question. Through this paper we argue that the cost of compensation to the firm does not adequately reflect the value of such pay to the executive; hence the use of this figure in compensation models may be responsible for the equivocal results rendered by extant empirical research. As such, we develop and test a model that examines the manner in which executives actually value and perceive (frame) future incentive pay. Findings demonstrate general support for the model and suggest that executives' perceptions of and responses to their contingent pay are dynamic, and that although incentive alignment may be achieved through the addition of contingent pay in the compensation package; this alignment may not hold constant throughout the compensation horizon.

Keywords: Reward & Incentive Systems, Corporate Governance, Decision-making

ASPIRATION, IMITATION, AND ORGANIZATIONAL DIVERSITY IN ONTARIO HOSPITALS, 1971-1992

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This paper examines how performance relative to aspiration levels and vicarious learning processes (imitation processes) influence the similarity of organizational practices. Past research on organizational diversity puts strong emphasis on the environmental factors affecting organizational practices. However, no study yet attempts to examine the roles of organizational performance and the organizational learning process in shaping organizational diversity. In this study, I conceptualize and model the similarity of organizational practices as the product of organizational performance and imitation processes. An analysis of 245 Ontario hospitals from 1971 to 1992 provides strong support that performance relative to social aspiration levels and vicarious learning processes are important factors influencing the configuration of Ontario hospitals' medical services. Ontario hospitals tended to imitate comparable, large, or successful hospitals in terms of the configuration of their medical services when their performance relative to social aspiration level decreased. Hospitals tended to explore new medical services when their performance relative to social aspiration levels increased. The effect of performance below the social aspiration level on the similarity of hospital medical services was greater than that of performance above the social aspiration level.

Keywords: Aspiration, Imitation, Organizational Diversity

EXPLORING BUREAUCRACY, NETWORK RELIABILITY AND THE EVOLUTION OF THE FIRM

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Complex organizational systems inevitably deteriorate. As organizations grow, both managerial overhead and complexity rise as secondary functions proliferate and absorb functions of primary units leading to a systematic collapse of efficiency. At the same time, the increase in organizational complexity associated with increased depth provides an increase in network reliability by reducing the likelihood of Type I errors (accepting a false hypothesis). The shift in corporate emphasis, the result of changes in structure, is associated with lower levels of ownership/freedom and higher levels of control/bureaucracy. Firms become less entrepreneurial and more bureaucratic as they grow resulting in lower levels of risk and return. This aspect of the agency problem helps explain why most economic growth originates from smaller firms which have higher levels of risk and return. Accordingly, smaller firms have higher levels of internal ownership and freedom to pursue opportunity, but at the expense of greater risk.

Keywords: Networks, Bureaucracy, Reliability

⊞ COORDINATION AS THE PRACTICE OF ORGANIZATIONAL ACCOUNTABILITY AND COMMON GROUND

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How do complex, interdependent groups coordinate their work to produce a product? To answer this question, I draw on ethnographic data gathered from participant observation in two different settings: a manufacturing plant and four film sets. I argue that in both settings, coordination is accomplished through practices of organizational accountability, making actions recognizable to the others in the organization, and common ground, creating mutual knowledge or suppositions. However, these practices are enacted differently in each setting. In the manufacturing plant, organizational accountability is carried out through the preventive action of documenting and disseminating design information via engineering drawings, while common ground is generated reactively, when solving problems. In contrast, on film sets participants are strongly socialized to share a common understanding of role structures and expectations, which coordinates tasks, while practices of organizational accountability are used reactively to solve problems that arise.

Keywords: coordination, accountability, common ground

A FRAMEWORK FOR RESEARCH ON SOCIAL CAPITAL, KNOWLEDGE ACQUISITION, AND SATISFACTION

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Professionals employed in knowledge-intensive firms acquire and commercialize their knowledge to deliver value in their professional services to clients. As there have been limited comprehensive studies on social capital for professionals, this paper proposes a framework for examining relationships between the social capital of professionals, their knowledge acquisition and the consequences they have for professional and client satisfaction. Our aim is to conceptually develop multi-dimensional measures of the

dimensions of social capital for professionals. Three main dimensions of social capital – structural, relational, and cognitive – are examined for their relationship to individual professionals' knowledge acquisition. Knowledge is conceptualized in this study within three domains: market, technical, and client-specific. A framework is developed and eight propositions are put forward for conducting empirical research on social capital, knowledge acquisition and satisfaction outcomes for professionals and clients.

Keywords: social capital, knowledge acquisition, professional service firms (PSFs)

CHANGES IN ORGANIZATIONAL CULTURE FOLLOWING MERGERS: A STAKEHOLDER PERSPECTIVE

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The literature on mergers and acquisitions highlights the difficulties that differences in organization culture present for achieving merger objectives. To a great extent, this literature has assumed that changes in culture result primarily, if not solely, from the integration of managers and employees from the two organizations being merged. This bias is not reflected in the broader literature on culture, which explicitly includes external influences as well as these important internal constituents. By applying a stakeholder perspective, propositions about which stakeholders will have the most significant influence on culture change following mergers are developed. This approach could also be used to assess the factors that impact culture change in other inter-organizational contexts.

Keywords: Mergers, Stakeholders, Culture

EMPLACING ORGANIZATIONS: PUTTING ORGANIZATION THEORY BACK IN PLACE

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Organization theory largely takes for granted the ubiquitous observations of place, and thus presently suffers from an inability to theorize the significance of place. To begin rectifying this problem I return to the primacy of place over space and to the impact of place on people and organizations. Drawing on both organization theory and anthropology, I delineate a number of aspects of the relational encounter between place and people. I then discuss four areas of organization theory where placial theorizing may prove valuable.

Keywords: Place, Organization Theory, Space

FRATERNITY, EQUALITY AND STABILITY IN EXCHANGE CLIQUES: THE CANADIAN INVESTMENT BANKING INDUSTRY

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We investigate how diversity and inequity influence clique stability in the Canadian investment banking industry between 1952-1990. We test whether social similarity leading to cohesion and shared identity or diversity of roles leading to complementary functional differences creates stability in interbank clique structures. We argue that the allocation of rewards influences banks' exits from cliques, which are more likely to decay when rewards are unequally distributed. Our results suggest that role diversity and social

cohesion have powerful stabilizing effects on cliques, while social diversity and inequality of rewards have destabilizing effects, and, in addition, that these effects are influenced more strongly by clique context and banks' locations within the clique.

Keywords: Interfirm networks, Investment banking, Investment banking

THE ROLE OF LEGITIMACY IN INSTITUTIONAL PERSISTENCE

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Few studies exist on the decline, disbanding, and renewal of organizations. Recent research suggests that institutions can renew in a process called reinstitutionalization. Drawing on the schools of Institutional Theory and Population Ecology, we examine the processes of institutional deinstitutionalization and reinstitutionalization with particular reference to the role of legitimacy. We suggest that legitimacy, both internal and external, is intangible but is also crucial to institutional survival and we propose that changes in legitimacy can lead to organizational erosion and decline. These changes are discussed within the context of the knowledge economy and the associated growth in recognition of the importance of intangible aspects of organization.

Keywords: Legitimacy, Deinstitutionalization, Reinstitutionalization

TOO MUCH OF A GOOD THING?: REGULATORY PROTECTIONISM AND LEARNING IN THE U.S.BANKING INDUSTRY

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In this study, I focus on exogenous impediments to organizational learning. Specifically, I examine how one particular type of environmental influence, government regulation, can impede organizational learning. I use data from more than 2,600 newly chartered U.S. commercial banks over a 15-year period to assess the impact of temporary protective bank regulations on organizational learning using the survival-enhancing learning construct. I argue that protective regulations may enhance a bank's life chances in the short run, but hinder a bank's life chances in the long run by impairing its ability to learn effectively during the period of protection. Thus, I posit that when regulations are eased, banks that were initially subject to the most stringent regulations (most protected) will fail at a higher rate than those initially subjected to lower levels of regulation (least protected). I find solid support for this phenomenon in this study.

Keywords: Organizational Learning, survival-enhancing learning, new firms

INSTITUTIONAL CONDITION FOR GUANXI: THE INNER CIRCLE AND BUSINESS GROUP PERFORMANCE IN TAIWAN

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Recent scholarship of business groups in institutional transition has not studied the role of the authority structure, one of the key dimensions to understand business group. Particularistic relationship (called "guanxi") has been identified as an essential feature of the authority structure in East Asia business groups, but its performance effect has not been empirically tested. This study examines how the market-oriented institutional transition moderates the effect of particularistic ties in the inner circle on business group performance in Taiwan. We propose that family and prior social relationship in the inner circle contributes more to business group performance after the transition than before the transition, and that

the contribution of the relationship based on the same native origin or the same school does not change significantly. In addition, we propose that after the transition, family relationship has a curvilinear effect on business group performance and the relationship heterogeneity becomes more important in improving performance. We test our arguments over a longitudinal sample of the top 100 business groups in Taiwan between 1973 and 1996. Results support our arguments. This is the first longitudinal research that theorizes and empirically tests the relationship between the authority structure, institutional transition, and business group performance.

Keywords: business group, authority structure, institutional transition

GIANTS AND WINDMILLS: RETHINKING INSTITUTIONAL STRATEGY

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This paper seeks to reframe the literature on institutional strategy by emphasizing the intersubjective and deeply cognitive nature of institutions. While institutional theory itself is significantly informed by theories of intersubjective cognition, institutional strategy theory has been largely explored, both theoretically and empirically, from the perspective of institutions that are not deeply cognitively rooted. That is, most of institutional strategy theory assumes that institutions are apparent, clearly understood, and capable of being altered by the autonomous actions of a single organization. In the same vein, the language employed in discussing institutional strategy often reverts exclusively to rational actor accounts of organizational decision-making, despite the fact that institutional theory developed specifically as an alternative to such accounts. After presenting a synthetic review of the institutional strategy literature, this paper develops the idea that it is possible to explore the concept of strategy from a cognitive institutional perspective using theoretical tools and empirical experiences from the literature on strategy and organizational development. These tools and experiences suggest that cognitive institutional strategies might focus on conscious, collective efforts to loosen the bonds of subconscious institutional frameworks through the re-crafting of organizational language and through iterative, unfolding, collaborative efforts toward understanding and innovation. Directions for future research are then suggested.

Keywords: institutional theory, strategy, organizational development

ONE RELATIONSHIP IS NOT ENOUGH: TOWARD A THEORY OF MULTIPLEX EMBEDDEDNESS

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Networks have recently become prominent among the mechanisms used to understand differences between organizations. This is probably a due response to the need for understanding an economic world which is increasingly relational in nature. In many of these studies, the focus has been on the association between the organization and its embeddedness with regards to one of the critical relationships within its network (such as communication or knowledge transfer). While these works help in exploring the effects of network structure on organizations, they however do not capture the inherently multivariate nature of organizational networks. That is, the fact that within the same organizational network each actor is simultaneously involved in many types of relationships, which all at the same time affect its choice of action. The goal of this paper is to introduce multiplex embeddedness (defined as the degree of an organization's involvement in critical relationships -- such as communication, interorganizational trust and knowledge transfer -- within a given network) and investigate its effects on organizational performance. More specifically, I examine the influence of multiplex embeddedness on the economic activity of an organization under two different situations (strong condition and weak condition). While multiplex embeddedness in the strong condition has a positive effect on performance, the relationship between multiplex embeddedness and performance in the weak condition is a negative one. Results from a 12-month field study of a whole industry strongly support my hypotheses and represent a call for additional work in this area.

ORGANIZATIONAL RESTRUCTURING AND ITS CONSEQUENCES DURING A MAJOR EXTERNAL SHOCK

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We analyze how firms restructure during a major economic crisis and evaluate the performance outcomes of such restructuring. Our study concerns Korean and Singapore firms¡¯ restructuring in reaction to the major economic crisis and its consequences during 1997-1998 Asian financial crisis through a strategic management perspective. We find that Korean firms¡¯ restructurings are more significantly impacted by the crisis. The specific types of restructuring adopted by firms to cope with the crisis vary with country and year. We find that the restructurings adopted during the shock have positive impacts on corporate performance. The difference of our findings between Korea and Singapore is mainly attributed to the difference in the macro-level factors.

DISCOVERING THE DYNAMICS OF INSTITUTIONAL ENVIRONMENTS: MODELING LEGAL RULE REVISION

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Institutional theorists have called for renewed study of institutional environments in order to discover the dynamics governing organizational fields (Dacin, Goodstein and Scott, 2002; Powell and DiMaggio, 1991; Scott, 1995). Institutionalists have consistently shown that laws shape organizational fields, influence action within the field, and function themselves as institutions. Therefore, we study the evolution of laws as sets of legal rules in order to better understand the dynamics of institutional environments. Drawing on institutional theories of change (Czarnawskia and Sevon, 1997; Dacin, Goodstein and Scott, 2002; Greenwood and Hinings, 1996) and theories of organizational learning (Levitt and March, 1988; March, 1989; March, Schulz and Zhou 2000; North; Mezias and Miner, 1996; Schulz, 2001), we hypothesize that political regimes are a source of exogenous change to legal rule systems; but that endogenous factors, such as the size, density, historical time, duration, and prior revision rates of legal rules, also have a strong net effect on their evolution. Event history analyses of 413 revisions of a water law over a twenty-two year period, 1914-1936, support the majority of these hypotheses. In addition, a unique feature of legal fields is shown-that case law also exercises strong effects on legal rule revision.

ORGANIZATIONAL DIVERSITY ENVIRONMENTAL DYNAMICS AND PERFORMANCE THE UK MOTORCYCLE INDUSTRY 1895-1993

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Ecological theory contributed to heighten academic awareness of population-level processes involved in molding the distribution of organizational forms over time. Yet, this empirical evidence has mainly dichotomized organizational configurations into generalists and specialists, and scant research to date has explored the original insight of the ecological theory on the different evolutionary advantages of multiple organizational forms. In this study we advance this line of inquiry by theoretically modeling and empirically testing the relationship between environmental characteristics, organizational niche width and performance. To reach this goal we use information collected on the histories of 648 motorcycle producers operating in the United Kingdom during the period 1895-1993. Our analysis of the large-scale historical experiment that produced the current structure of this industry, clarifies the evolutionary bases of organizational-specific competitive advantages.

Keywords: ecology, niche, environmental change

SOCIAL NETWORKS AND MOTIVATION: EXPLORING THE EFFECT OF THE SOCIAL CONTEXT ON WORK MOTIVATION

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This article proposes that an integration of social network theory with motivation theories can enhance our understanding of work motivation. Within firms, actors are presented with a social network that simultaneously allows selective choice of referent others for comparison and also constrains that choice through limited structural availability. We suggest that social comparison processes derived from perceived discrepancies actors sense between themselves and available referent others is a primary driver of work motivation.

Keywords: Social network, Motivation

THE INSCRIPTION OF AGENCY INTO INSTITUTIONS:THE MAKING OF A FACTORY

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In this paper we propose a distinctive view on institution building processes in complex organizations which is based on an inscription model. Such model emphasizes endogenous forces of institutionalization that involve the progressive alignment of technology, sensemaking, and identity within a relational whole. In order to illustrate the above perspective we analyze the generative and foundational mechanisms underlying the coming into existence of a green field automotive factory: Fiat's Melfi assembly plant in Southern Italy. The findings of the study provide an explanation of the agency problem which differs both from mainstream neo-institutional theories and classic structuration theories.

Keywords: institution building, inscription, delegation

EFFECTUAL NETWORKS: A PRE-COMMITMENT APPROACH TO BRIDGING THE GAP BETWEEN OPPORTUNISM AND TRUST

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One of the theoretical puzzles concerning how organizations and markets come to be has to do with our fundamental behavioral assumptions. While economic theories are built on assumptions of opportunism, organizational and sociological theories either look for existing structures of trust as ways to overcome opportunism, or emphasize the role of a third-party arbiter. In this paper, we bring together two existing concepts in previous literature, namely, docility and effectuation, to construct a pre-commitment approach to the creation of new networks that proceeds in the face of motivational uncertainty – i.e. irrespective of assumptions of opportunism or trust. We develop our synthesis within the context of new market creation in entrepreneurship. Instead of strong behavioral assumptions based on opportunism or trust, we begin with the far weaker assumption of docility – i.e. the fact that human beings are, to varying degrees, persuadable. Furthermore, in the context of extremely nascent or non-existent markets, actors may not only be uncertain about each others' motivations, but may be unsure of their own future preferences and goals. Under such circumstances of combined motivational and environmental uncertainty, non-predictive strategies such as effectuation are called for in creating and managing new networks. The effectual pre-commitment approach we develop in this setting is analogous to other pre-commitment approaches developed in areas such as finance, jurisprudence, and economic psychology. A pre-commitment is defined as a self-imposed non-negotiable constraint that stacks the deck in favor of or against specific future choices.

Keywords: social networks, effectuation, opportunism

CULTURAL INSTITUTIONS, OVERSEAS CHINESE FIRMS AND HIGH TECHNOLOGY ENTREPRENEURSHIP

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The fastest growing economies in the world over the last two decades have been in Asia. Many of these economies are dominated by Overseas Chinese, that is, ethnic Chinese who live outside of China. Overseas Chinese have spearheaded the region's economic growth principally in slower growth, low technology industries. The focus increasingly in Asia is on high technology ventures. It is not clear, however, if the same culturally-related institutional factors that have promoted success in low technology arenas by Overseas Chinese will have the same positive impact on high technology ventures. Through multiple in-depth interviews with a wide variety of high technology entrepreneurs, venture capitalists, and government officials in the region, our results suggest that many of the cultural characteristics of Overseas Chinese that promoted their success in low technology businesses may negatively impact their success in faster growth, high technology businesses. Implications for entrepreneurs, for theory and for policymakers are discussed.

Keywords: Institutional theory, Entrepreneurship, Culture

SOCIAL CAPITAL AND CAPITAL: AN INTEGRATIVE THEORETICAL FRAMEWORK

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Social capital has been a victim of its own success resulting in divergent theoretical paradigms (i.e. structural, political and content), difficulty in operationalizing the concept for empirical purposes and

fundamental challenges to the validity of the concept. This paper suggests that this results from a failure to consider the underlying philosophical assumptions appropriate to capital theories more generally. Capital is not a materialist concept but instead a socially constructed institutional fact. This paper offers a theoretical framework consistent with this assumption, a process model of social capital and an integrative theoretical framework that embraces all theories of social capital and suggests directions for extension to other capital theories.

Keywords: social capital, capital, theory

THE RESILIENCE OF SMALL WORLDS: MARKET REFORMS AND OWNERSHIP NETWORKS IN ITALY (1990-2000)

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How do ownership networks among business enterprises evolve over time and what role do market reforms, such as takeover laws, enhanced protections of minority shareholders and privatisation programs, play in shaping the structural characteristics of these networks? This paper addresses these questions leveraging on small world analysis techniques applied to the ownership networks among Italian enterprises in 1990 and 2000. The results show a remarkable amount of resilience in the structural properties of the network in the face of significant changes in the density of ties among actors. Both the clustering coefficient and the average path length are stable over the decade, supporting claims of resilience to institutional shocks of the small world features in business networks.

Keywords: Small Worlds, Ownership Networks, Market Reforms

INTERMEDIATED CAREERS: THE ROLE OF STAFFING AGENCIES' CLIENT TIES IN CREATIVE IT CONTRACTORS' WAGES

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Despite the growing importance of labor market intermediaries, much is to be learnt about how they operate. In particular, very little work has attempted to assess the impact of their intra-organizational practices and inter-organizational relationships on individual outcomes. In this study, I analyze the effect of "strong" client-agency relationships on highly skilled contingent workers' wages. I use client records and individual job histories from a group of 336 creative IT contractors affiliated with a specialized staffing agency over a 4-year period (1998-2002). I perform a series of hierarchical OLS wage regression models on a sample of 2,297 projects across 820 client companies. My results show that the more important the client is for the staffing agency the lower the contractors' pay rate for a given project. I argue that the client firm's negotiation power is an important determinant of contingent workers' wages, by virtue of the agency's dependency on key clients' business. I also evaluate a number of alternative mechanisms that might be driving this result. Lastly, I discuss the implications of my findings for our understanding of contingent work, as well as for the study of stratification processes in the boundaries between organizations and markets.

Keywords: Labor Market Intermediaries, Inter-organizational Relationships, Wages

URBAN PLACES AND ORGANIZATIONAL FOUNDING:
HOSPITALS AND ORPHANAGES IN CHICAGO, 1848 - 1916

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In a comparative analysis of general hospital and orphanage founding in nineteenth and early twentieth century Chicago, this paper examines how macrosocial changes such as urbanization affect organizational founding in local contexts. Both organization theorists and urban sociologists argue that ecological changes in the built and social environment associated with urbanization encourage the transfer of many activities from private households and public spaces to formal organizational settings. Spatial constraints on multi-purpose actors such as families and local communities in urban settings exacerbate social pressures to formally demarcate specific locations for particular types of activity. Moreover, increased opportunity for interaction among strangers contributes to the development of formal roles that do not depend on personal acquaintance and social relationships. Consequently, these theories predict that urbanization increases founding rates. However, we find that the degree to which the effects of macrosocial changes such urbanization are isomorphic across levels of analysis depends on how patterns of interprofessional competition shape the goals attributed to particular organizational forms. Specifically, we find that hospital founding rates increase with urbanization at the neighborhood level, while orphanage founding rates decrease. A review of the social historical literature on these organizational forms suggests that these contrasting results are explained by the different trajectories of professionalization that characterized medicine and social work.

Keywords: urbanization, organizational founding, health care

THE IMPACT OF TRUST AND REPUTATION ON KNOWLEDGE TRANSFER

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In this study, I examine the question ?Given all that we know about knowledge transfer in organizations, why do problems persist?? To answer this question, I examined the role of trust and reputation to determine how they individually and collectively influence the process of knowledge transfer. The study finds that both trust and reputation have a significant positive effect on knowledge transfer. These findings suggest that trust and reputation are critical issues to be addressed in any successful knowledge transfer strategy. Furthermore, the findings lend credence to the notion that knowledge transfer is a social activity in which employees must willingly engage. However, that social activity is a function of individual contacts and the opinions they form of one another.

Keywords: Knowledge, trust, Reputation

NEW VENTURE RESPONSES TO INSTITUTIONAL PRESSURES

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This paper examines how new ventures respond to the institutional pressure of writing business pans. Building on institutional theory, we examine in-depth five new ventures located in a Swedish science park. We find that new ventures are subjected to different types of institutional pressures and use different strategies to respond to them. In this, we move beyond the conformity – nonconformity dichotomy of organizational responses and offer a fine-grained analysis of how different types of institutional pressures

are linked to specific strategic responses, offering five empirically testable propositions. Implications for research and practice are discussed.

Keywords: Institutional Theory, Strategy, Business Plan

ORGANIZATIONAL STRATEGY AND JOB TITLE STRUCTURE IN THE U.S. WINE INDUSTRY

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The structure of job titles is fundamental to the study of the division of labor, social stratification in organizations, and inequality among organizational participants. Despite the importance of job title structure as a core component of the division of labor, it has received only scant attention from organizational theorists. This paper examines how organizational strategy affects job title structures. I focus on one dimension of organizational strategy: generalist versus specialist. I propose that generalist organizations have more differentiated job title structures than specialist organizations. I also propose that generalist organizations present higher proportions of marketing and sales-related job titles, whereas specialist organizations will display higher proportions of production-related job titles. I argue that specialists will have a higher proportion of multiple title positions. Moreover, I argue that high-quality specialists have a greater degree of marketing- and production-related jobs and multiple title positions. My research covers the U.S. wine industry in California, Oregon, and Washington. The results of my empirical analysis generally support my hypotheses.

Keywords: organizational ecology, institutional theory, job title structure

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INTRA-ORGANIZATIONAL POLITICAL DYNAMICS AND DEINSTITUTIONALIZATION

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This paper explores deinstitutionalization of organizational forms and practices in terms of intra-organizational political dynamics among institutional agents, which have captured the central idea of old-institutionalism. The reintroduction of the idea enables us to establish the micro-foundation underlying the decline and emergence of competing institutional logics at the societal level. Through a longitudinal study of changes in presidential election systems in the organizational field of Korean universities, we showed that intra-organizational power dynamics among the faculty council, the boards of trustees, and the government shaped the deinstitutional processes of abandoning an old appointment system and adopting a new direct voting system in presidential election in Korea.

Keywords: deinstitutionalization, intra-organizational political dynamics, institutional agents

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CONSEQUENCES OF POWER DISTANCE ORIENTATION IN ORGANIZATIONS

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In this conceptual paper, we develop propositions on the consequences of power distance orientation, an essentially antidemocratic approach in our view, for organizational behavior. We argue that while power

distance orientation may suit the purpose of top managers by giving them unlimited power and control over subordinates, it chokes communication, blocks employee involvement and participation, and causes organizational inertia. The power distance dimension has received much less attention from scholars than the individualism-collectivism dimension, although it is perhaps as important as the latter in its impact on behavior in organizations. We subscribe to the view that individuals and organizations within a culture (or nation) may vary in their value orientations and present our arguments not at the level of culture, but at the level of the organization. However, because of the paucity of research on power distance orientation at the organizational level, we use studies and examples from cultures or nations to substantiate our arguments and propositions.

Keywords: power distance, culture, organizational behavior

ACCESS TO KNOWLEDGE, TECHNOLOGICAL CAPABILITIES AND FIRM SURVIVAL

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This paper examines organizational failures from a knowledge-based perspective. Drawing on arguments from the knowledge-based theory of the firm we hypothesize that both the exploitation of internal capabilities and the exploration of external flows of knowledge should affect the exit rate of biotechnology firms. Specifically, we argue that firms who neglect to utilize their internal knowledge base and fail to refresh that knowledge through accessing external knowledge will experience performance deterioration. More specifically, we state these firms will experience knowledge obsolescence and inertia, which eventually leads to firm failure and market exit. We choose the German biotechnology industry as an appropriate context to examine our research questions. Examining all market exits in the population of German biotechnology firms since the founding of the industry in 1995, we formulate four hypotheses linking knowledge characteristics to firm's exit rate. All four hypotheses are supported by our data. Two hypotheses concentrate on firm's access to external knowledge, linking the number of a firm's prior strategic alliances and the munificence of a firm's research environment to the exit rate. Both hypotheses are supported, indicating that firms who are connected to external knowledge sources are less likely to exit the industry. Second, we investigate the impact the utilization of internal capabilities, e.g. absorptive capacity and technological capabilities, has on the exit rate. Our findings confirm our hypothesis, indicating that firms who utilize absorptive capacity and who are endowed with highly sophisticated technological capabilities are less likely to exit the market than firms without these capabilities.

Keywords: Failure, Biotechnology, Knowledge

THEY'RE DOING WHAT IN THERE? THE PREVENTION OF SOCIAL STIGMA AND ILLEGITIMACY IN THE BATHHOUSE

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We use the concept of illegitimacy to examine the conditions under which organizations operate when they suffer from social disapproval. This paper explains how Men's Bathhouses manage their external relationships in a way that allows them to survive and thrive. The research presented in this paper is inductive in nature and based on observation, interviews with individuals connected with men's bathhouses, and archival sources. We found that men's bathhouses engage in strategies that shield their customers, suppliers, and regulators from the illegitimacy that they themselves suffer. We also discuss the implications of our findings, both for these organizations as well for the field of organizational theory.

Keywords: Illegitimacy, social stigma, men's bathhouses

THE DYNAMIC POTENTIAL OF FIRMS

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Developing on the RBV theory, recent research has drawn on a routine-oriented, learning-based theory of the firm to address critiques that the dynamic capabilities approach does not provide sufficient directions as to how a firm can build or use dynamic capabilities. Arguing that resource-based theories address only part of the dynamic reactionary capacities of organizations, we present a theory based on the dynamic potential of firms. We define the dynamic potential of an organization as the capacity or the speed with which the firm (even with insufficient knowledge or resources) (i) generates and applies solutions (configurations of organizational resources and processes) in response to changes in the internal or external environment of the firm and (ii) learns and stores patterns of effective solutions for use in the future. Dynamic potential has four aspects—analytical, inventive, operative, and communicative—which govern the type of dynamism the firm exhibits. Different combinations of the four facets of dynamic potential generate different archetypical organizations. External factors such as market conditions and the industry in which the firm operates, and internal factors like budget outlays and existing resources govern the choice of an appropriate archetype for the firm. We posit that dynamic potential comprises two components—emergent dynamism and crystallized dynamism—which are related to each other through learning mechanisms. We develop propositions and hypotheses that center around learning mechanisms (for empirical validation in future research). These hypotheses relate single loop and double loop learning to emergent and crystallized dynamism respectively.

Keywords: dynamic capabilities, organizational archetypes, organizational learning

GETTING WHAT YOU WISH FOR: MARKET CONTROL AND THE FAILURE TO INNOVATE IN THE AMERICAN FILM INDUSTRY

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Under what circumstances can firms succeed in controlling markets and limiting competition? What are the longer run consequences of being buffered from competition in this way? In seeking answers to these questions, we examine the emergence of the American film industry in the late 19th and early 20th centuries. Our theoretical starting point for addressing these questions is the literature that integrates an ecological emphasis on environmental resources and an institutional emphasis on policies regulating competition (Dobbin and Dowd, 1997; Wade, Swaminathan, and Saxon, 1998). This study aims to provide evidence to support this integration and extends the existing evidence in several ways. First, by examining the emerging film industry, we expand the contexts where the confluence of ecological and institutional influences over competitive dynamics has been examined. Second, we focus on how organizations react to control competition in the context of broad policy regimes by using the administrative capacities (Schneiberg and Bartley, 2001) of the state to structure competition. We provide evidence that the cartel formed early in the industries history was successful in at least two ways: First, mortality rates among members of the population that made up the early American film were enhanced. Second, mortality rates of members of the cartel were suppressed. We also show that the cartel members buffered themselves from competition only at a significant cost. None of these firms, which virtually controlled the fast-growing and increasingly important industry up until 1912, remained a major player in the industry in the decade that followed.

Keywords: organization theory, market control, regulation

STRUCTURE OF ACADEMIC CAREERS IN ORGANIZATION SCIENCE

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More than one hundred freshly minted organization science doctoral graduates enter academia every year. A non-trivial number of existing faculty members move from one university to another every year, while other organization science faculty leave academia to enter retirement, consulting, or industry. These entries and exits are part of a large, dynamic system that has seen substantial growth in the past two decades and that continues to offer hundreds of job openings. Despite the importance of this system, few attempts have been made to study the determinants of career structure within it. We empirically studied the structure of organization science careers using three theoretical models: accumulative advantage, sponsored mobility, and contest mobility. Tracing hundreds of organization science faculty across 16 years of their careers, we find a downward cascading of affiliation prestige over time that affects people more dramatically and quickly than we expected, especially women. Accumulative advantage, the most predictive of our models, does help to maintain relative but not absolute prestige, at least until its effects wane in later years of the career. In contrast to prior research, the current study shows clear shifts in the relative strengths of effects over time. These findings are relevant to individuals choosing doctoral programs, sociologists of science interested in research on scientific careers, organization science faculty active in the careers research area, and other organization science faculty interested in the underlying career dynamics of their discipline.

Keywords: Accumulative Advantage, Sociology of Careers, Affiliation Prestige

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NETWORK STRUCTURE AND KNOWLEDGE TRANSFER: THE TRANSFER PROBLEM REVISITED

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This research examines how informal networks affect knowledge transfer. As a complement to previous research that has emphasized the dyadic tie strength component of informal networks, we focus on how structural position in the informal network influences knowledge transfer. Our aim is to disentangle tie strength from network structure. We consider two distinct features of network structure and examine their effects on the ease of knowledge transfer in organizations. Specifically, we propose that social cohesion (network structures characterized by strong third party interconnections) affect the willingness and motivation of individuals to invest time, energy, and effort in sharing knowledge with others. We further argue that network range - (network structures that cut across multiple areas of expertise) affect the ability of individuals to convey complex ideas to heterogeneous audiences. We investigate the effects of these two features of network structure on knowledge transfer using data describing the social structure of a contract R&D firm. The results indicate that both social cohesion and network range ease the transfer of knowledge, over and above the effects for dyadic tie strength. We discuss the implications of the findings for both the knowledge transfer and social networks literatures.

Keywords: networks, knowledge transfer, social capital

KNOWLEDGE, INTEGRATION, AND INNOVATION IN BUSINESS SERVICES

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This study builds a typology of organizational knowledge in business services, and empirically examines its effects on innovation performance. It is suggested that firms differ with respect to their knowledge creation approaches, and that these approaches have implications for firm performance in terms of innovation success. A conceptual framework of knowledge assets with degrees of tacitness and collectiveness as principal axes is used to ground the empirical analysis. It found that innovation in business services is associated with both tacit and explicit collective knowledge, and with explicit individual knowledge. In contrast, relying solely on tacit knowledge held by individuals may hamper innovation. These empirical results shed new light on the debates in organization studies concerning the strategic effects of tacitness and collectiveness of knowledge: Innovation benefits may be gained from codifying knowledge and making it appropriable at the collective, as opposed to individual, level.

Keywords: Organizational knowledge, Innovation, Supply relationships

ORGANIZATIONAL AND NETWORK COLLECTIVISM

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In this paper we propose a distinction among collectivists to capture a fundamental difference in mental models of "collective" that has important organizational implications but has not been specifically identified in prior conceptual and empirical research. Drawing on research in social psychology, comparative management and organization theory addressing Japanese, Chinese and East-West phenomena, we develop a distinction between network and organizational forms of collectivism. Organizational collectivists perceive an organization as an exchange partner that contextualizes any interpersonal relationships within its boundaries. In contrast, network collectivists perceive an organization as an arbitrary boundary around a collection of individuals with whom they have strong, weak or no particularistic relationships. We find this distinction to be a useful way to interpret the sources of tension and conflict reported by Japanese and Chinese in Japanese subsidiaries in China, with important managerial implications. While our qualitative and interpretive study does not allow us to test alternative hypotheses or draw society-level conclusions, it does suggest a way in which organization theory may be enriched

Keywords: collectivism, cross-culture, China and Japan

REVERSAL OF FORTUNES IN THE JAPANESE BANKING INDUSTRY

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Japan's banking industry has widely been regarded as a significant component contributing to Japan's economic success. The dominant theoretical approach posits that Japan's bank-centered corporate governance system is an efficient system, in that it may reduce information asymmetry, agency costs, as well as restructuring costs. Nevertheless, Japan's persistent economic downturn may indicate the inadequacies of this argument. Particularly puzzling is that many Japanese banks had been reluctant in pressing for real reform in failing client firms, even though the banks themselves were teetering on the brink of financial disaster. We propose a social exchange approach focusing on the opportunities and constraints of close bank-firm relationships to understand the determinants of banks' performance in Japan. We hypothesize and found empirical support that factors affecting banks' social exchange relationships with their client firms had opposite effects on banks' performance between Japan's expanding and contracting economies. Premised on a social exchange approach, our study thus deepens the understanding of the determinants of bank performance in Japan and may represent a different approach to tackle Japan's banking crisis.

THE MULTILEVEL NATURE OF GROUP SOCIAL CAPITAL

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We introduce the concept of group social capital, which is the set of actual and potential resources made available to the group, mobilized through group members' social relationships within the social structure of the group itself, as well as through the group's position in the broader formal and informal structure of the organization. We argue that greater group social capital leads to greater group effectiveness. We propose that there are many different sources of group social capital derived through closure and brokerage mechanisms and defined by vertical and horizontal differentiation and intra- and intergroup boundaries. Multiple hurdles on all of these different sources must be met in order to maximize group effectiveness.

TOWARDS A FRAMEWORK FOR KNOWLEDGE NETWORKS FOR GROWTH - RESULTS OF AN ACTION RESEARCH STUDY

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There are two ways to create sustained profitable growth: through cost cutting or by acquiring new market segments through value innovation. Both approaches need to be discussed in relation to their inherent growth opportunities, which companies could attain by means of the strategies described below. The paper will follow the line of argument that not cost cutting, but new products and services as well as customer centricity will lead to sustained profitable growth through value innovation. Because knowledge is an important source of innovation, the paper argues from a knowledge perspective and focuses on two ways to create new knowledge for innovation: by improving internal knowledge sharing or by acquiring new knowledge through mergers and acquisitions (M&A). One major result of our research is being able to show that knowledge networks can support knowledge sharing and creation better than any other organizational form. It was possible to develop the new framework for knowledge networks for growth by testing and adapting the framework of intra-organizational networks. The concept of knowledge networks was adapted for individual companies in an action research approach to improve internal innovation, integrate knowledge after M&A and integrate customers' knowledge. The surprising outcome was that by comparing networks it became apparent that all had similar adapted components in common. We therefore propose a general framework for networks for growth that indicates the components that need to be adapted - also for other business needs - in order to pursue a corporate growth strategy.

LEGAL CHARGES: EMBEDDEDNESS AND PRICE FORMATION IN CORPORATE LAW MARKETS

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A viable sociological theory of economy and society must address prices. Yet, sociologists seldom study price formation. Conventional theory argues that production costs, public information on quality, and transaction cost-reducing formal agreements shape prices. As a point of departure, we argue that the embeddedness of market transactions in social structures furnishes actors with private information and informal governance benefits that shape prices by adding unique value to transactions. We use theory and original fieldwork to propose arguments about how a firm's embedded client relationships, brokerage ties between clients, and status influence the prices it charges its large business clients. We then statistically test the generalizability of our arguments for both customized upscale legal work and "pure vanilla" commodity work, two key segments of the market that vary in the level of exchange uncertainty. Using longitudinal data on the economic and sociological characteristics of law firms that represent the Fortune 200 corporations and top 250 financial firms in America, we find that social structure has dramatic effects on the pricing of custom work and commodity work, effects that change in scale and direction depending on the form of embeddedness.

Keywords: Embeddedness, Networks, Prices

TRANSPARENCY AND THE ASSERTION OF PRODUCERS' QUALITY IDEALS

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Producers in certain domains or markets, such as some segments of the arts and professions, often produce goods and services according to an 'insider' quality ideal that may not be entirely accessible to their consumers. This paper proposes a theory for understanding more broadly across domains how producers' influence on what is produced and how it is perceived differs depending on the characteristic of a good or service. I argue that two types of uncertainty determine the extent to which a good or service is transparent to consumers: ambiguity regarding the relevant quality traits and observability of quality traits. The transparency of a good or service is dynamic insofar as novelty, social identification with the good/service, and third-party opinions affect the extent to which quality traits are ambiguous or observable. At any given point in time, however, the transparency of a good or service determines the level of autonomy that those producers have to develop and articulate a particular point of view on what constitutes quality excellence. Greater autonomy leads producers to develop a quality ideal that may not be entirely functional from a consumer standpoint and to care more about prestige as perceived by others in the same producer community. Consequently, markets with low transparency goods/services are more likely to include some producers who are more motivated by prestige than money.

Keywords: Economic Sociology, Market Cognition, Occupations

RESOLVING HYBRID ORGANIZATIONAL IDENTITIES: ORIENTING THE MIRROR FROM BELOW

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In recent years, organizational scholars have renewed their interest in organizational identities. Occurrences of multiple identities within organizations and the emergence of hybrid identities have been reported. Because such identities sometimes conflict, attempts to resolves these tensions through either separation or combination of these identities have been suggested. Discussions on the resolution process have however focused more on high-level managers or board members than regular organizational members. This paper deals with the lived experience by regular organizational members of hybrid organizational identities and aims to understand the interplay between these experiences and identities. The field setting for this study is a French non-profit organization with a fairly high percentage of entry-level "regular" members (78%). A combination of interview data (N1=22), field observations, a longitudinal survey upon entry and exit (N2=34), and archival analysis were used to assess institutional identities, lived experiences and organizational identification levels. These data show that if a hybrid institutional

identity is a relevant concept, individual experiences point towards a detangling of these identities at the individual level. Whereas high-level managers might attempt to combine identities, regular members may stick to a chosen identity. Moreover, hybrid identities send conflicting signals to members that limit their engagement and dilute the overall effectiveness of the organization in its ability to foster strong identification with both the organization and its mission. Ultimately, functional hybrid identities might be more of a managerial hope than an integrated reality for members.

Keywords: identity, hybrid, resolution

THE STRENGTH OF PERFORMATIVE TIES: NETWORKS AND KNOWLEDGE TRANSFER IN A PROFESSIONAL SERVICE FIRM

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Although Knowledge has grown to occupy a major role in the discussion on firm performance, We currently know little about the micro-processes involved in an intra-organizational search and transfer of knowledge. Drawing on extensive fieldwork in a large, multinational professional service firm, we identify a frequent phenomenon in which employees successfully extend ties to unacquainted others, bypassing direct and indirect network ties altogether. We present the minutiae of such tie extension, and recognize two circumstantial condition to its success: affiliation and status similarity. Highlighting the difference between the observed phenomenon, indirect ties, and complete unacquaintanceship, we present a definition of performative ties. Reviewing cases of performative ties in previous research, we conclude by indicating their beneficial role in search process, as well as some of the challenges their existence present to contemporary network theory.

Keywords: Knowledge Management, Networks, Qualitative Methods

A CRITICAL EXAMINATION OF THE MEANING OF TECHNOLOGY OVER TIME.

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Technology is a broad construct that has multiple meanings. Because of its rich heritage of study in organization theory, technology has and can be conceptualized in many ways. An examination of the organization theory literature was conducted to explore how language was used to define technology in organizational studies over time. To support this exploration of the use and meaning of the term "technology" over time, passages referring to technology from all classic works in organizational theory from approximately 1775 through 1972 were inspected. As part of this historical content analysis, a discussion of the evolution of technology's terminology is presented within two frameworks: human/machine methods and social/economic perspectives. Then two ways of analyzing the material are explored: 1) the over time shifts in terminology resulting from corresponding "regime" switches (patterns of historical thematic discussion behind technology's terminology); and 2) the development over time of increasingly complex terminology used to describe and explain technology. Finally, implications are presented for the linkages between technology's language and organization studies.

Keywords: Technology, theory development, patterns of theoretical development

EXPLAINING THE START AND FIZZLE OF ORGANIZATIONAL CHANGE: CO-EVOLVING PROCESS AND CONTENT

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The theme that sustaining efforts to change is difficult appears in many guises throughout the theory of organizations. Change processes tend to run out of energy and momentum. In this essay, I offer an inductive study of the dynamics of organizational change that describes interactions within situated human action to explain the observed trajectory of organizational behavior. As a window through which to view change, I study a manufacturer adopting production practices based on concepts of lean manufacturing and the so-called Toyota Production System (TPS). I develop a grounded theory based on extensive fieldwork observing a change effort that began with temporary improvement but subsequently entered a phase of decline, the characteristic start and fizzle of change. I examine how the actions of various groups interact with each other and with characteristics of the workplace. I then induce a model that characterizes the dynamics of participatory change. The model draws on a close examination of how people do the work of process improvement and identifies a set of mechanisms through which process and content interact to determine the patterns of organizing that result. I find that front-line participation led to generating ideas, but the work of implementing those ideas placed demands on key support personnel such as manufacturing engineers. The support personnel quickly become overwhelmed, facing a growing backlog of ideas to implement. As the support personnel modified their work practices to address the mounting workload, the change process evolved and so did the content of the changes it produced.

Keywords: organizational change, feedback, process improvement

STRATEGIC SUCCESS AND LEGITIMACY: THE AMERICAN FILM INDUSTRY, 1896 - 1928

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Increasing attention has been paid in the recent literature to the link between the creation of legitimacy and the strategic success of organizations and even industries (Suchman, 1995). We study a central premise of this burgeoning literature: The resource of legitimacy is linked with the strategic success of both individual firms and the industries in which they operate. In this paper, we study the macro issue of how strategic success and legitimacy are linked for an entire industry. We believe that successful study of legitimacy must take place in a fairly narrow context. In addition, narrowing our study to a well-defined context facilitates the creation of direct measures of legitimacy, which we believe is crucial. As our context for developing a model of how legitimacy is related to strategic success, we study the early American film industry.

Keywords: legitimacy, industry emergence, industry evolution

ORGANIZATIONAL DYNAMICS IN A PROJECT-BASED ENVIRONMENT: NEW INSIGHTS FROM THE USA MOVIE INDUSTRY

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In the last ten years the focus of strategy research has been devoted to the study of the relationship between competitive advantage and firm specific resources, competences, and knowledge. In the meantime, the increasing need for flexibility and the shrinkage of firm time frames have stimulated the development of project-based forms of organization. Some of the organizational features of project-based enterprises (PBE) appear at odds with a resource based view (RBV) of the firm. While a key assumption of the resource-based conception of organizational functioning is that firms develop path dependent organizational processes shaping their conduct, project based organizations exhibit no ostensible history-based path to build upon their organizational behavior. A project-based enterprise is a temporary form of

organization that ceases to exist when its single target is achieved. This apparent paradox casts doubts on the general explanatory power of RBV and KBV. We argue that in a project based environment firm disbanding does not necessarily imply the termination of interactions established during single projects. We test our theoretical arguments with blockmodels and other social network analysis techniques on interactions that took place in 782 movies distributed in the USA between 1995 and 1999. Results show that complementary interactions tend to be repeated, while non-complementary interactions do not.

Keywords: project-based organization, routine, creativity

QUASI-OBJECTS, SPACES, AND TIME: A CASE OF AN ORGANIZATIONAL ARTIFACT

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There is an increasing sensibility in organization studies that view space and time not only as neutral contexts in which organizing takes place but also as very products of organizing processes. Drawing upon recent developments in Science and Technology Studies, in this paper, I employ a topological approach to understand an organizational artifact in an Internet start-up company. I analyze this particular artifact as a quasi-object through various spatialities it inhabits, and at the same time, performs: regions, networks, and fluids. Based on Michel Serres' conceptualization of time, I claim that space and time are inherently bound together in the constitution of social orders.

Keywords: Postmodern theory, Space, Time

COGNITIVE SHIFTS AND INTERNALLY-FOCUSED CHANGE: A FIELD STUDY OF PROCESS IMPROVEMENT

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While it has been convincingly demonstrated that process-focused techniques do on occasion produce dramatic and sustained gains in performance and profitability, it is equally clear that efforts to implement them usually fail. To date, however, organizational scholars have offered few explanations for why. Given the centrality of internally-focused change to popular theories, the inability of firms to succeed in process improvement represents a challenge for theorists to explain. In this paper we report the results of an inductive study of one firm's successful attempt to improve continuously and incrementally its core manufacturing process. The principal results of this effort are to challenge the current view of the source of change in process-oriented improvement initiatives; and to offer an alternative characterization of the mechanisms through which competence-enhancing, incremental change actually occurs.

Keywords: Change, Process Improvement, Cognition

TRUST: A MULTIDISCIPLINARY APPROACH

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Trust is a construct studied by a growing number of disciplines that, in time, following a natural process of convergence, have increasingly featured the multidisciplinarity of studies. To fully appreciate the increasing multidisciplinarity of trust literature, a review of the major research areas from the different disciplines has been done. This in order to understand two elements: (1) the major relational contexts studied by each discipline as well as their analytical goals; (2) the contribution that they can offer to define a general interpretative model of trust in market relations discussed in the last part of the paper.

THE EXTERNALLY PERCEIVED ORGANIZATIONAL CRUX: WHEN AN ORGANIZATION WILL CHANGE OR RESIST

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Why do external perceptions motivate organizational change? To the extent that externally provided resources are threatened, organizations will yield to external pressures. Some organizations can resist demands to change better than others such as those that are less visible or those that have access to alternative sources for externally provided resources. This paper provides a legitimacy-resource dependence perspective on motivations for change, resistance to change and the types of change to which organizations will yield.

THE REALITY OF VIRTUAL IMPACTS: EXPLORATION OF VIRTUALITY AS A MODERATOR IN AN LMX FRAMEWORK

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While leadership in virtual organizations has been receiving much attention in recent academic literature, researchers have not yet applied any of the more empirically established leadership theories to the virtual realm. The current paper provides a theoretical framework in which to study virtual leadership by proposing a model that suggests the traditional Leader-Member Exchange (LMX) theory, if appropriately adapted, can be applied in the virtual realm to maximize the positive aspects of the old theory and the new environment. Within an exploration of the primary differences between virtual and traditional environments, potential alterations in the relationships established via LMX are revealed. Propositions are offered and implications for leadership development are discussed.

COMPETITIVE CROWDING AND THE PROPENSITY TO CRASH IN PROFESSIONAL STOCK CAR AUTO RACING

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This article examines the effects of competitive crowding on social action. Our contributions are twofold. First, we clarify a structural determinant of conduct in a sharply defined hierarchy. Although empirical studies in different areas of sociology have demonstrated the multifaceted consequences of crowding around social positions, much of the existing work has addressed lateral rather than hierarchical differentiation. Here, we specify the unique effect of crowding by those positioned behind a focal actor in a hierarchical ordering, net of the opportunity to surpass others located above that actor. Our results show that crowding matters more than opportunity. Second, we document a contingent effect of crowding as a function of the stability of the hierarchy in which actors are embedded. We posit that hierarchies exert sway only are after their constitutive elements lock into place and appear reasonably stable among those competing for positions within them. The empirical context we examine is the National Association for Stock Car Auto Racing (NASCAR). Using panel data on NASCAR's Winston Cup Series, we model the probability that a driver will crash his car in a given race. We find that (a) drivers crash with greater frequency when their positions in the temporally unfolding hierarchy are increasingly at risk of

displacement by their nearby, lower ranked counterparts and (b) the effect of crowding appears only after the first few races in the season, by which time a reasonably stable structure of ranks has materialized.

Keywords: ecology, risk, networks

"STATE OF THE UNION: SOCIAL CAPITAL AND ACADEMIC RESEARCH."

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This paper attempts to lay the foundation for integrating the various areas of current research surrounding social capital by reviewing and summarizing current conceptual arguments presented by researchers in academic literature. Social capital has been gaining increasing popularity as the concept is being used in a wide range of academic disciplines. In Organization Management, the concept of social capital is proving to be a powerful factor in examining and explaining relationships in several areas of research. However, a wide range of social science disciplines has also used the concept of social capital in research including sociologists, political scientists and economist (Adler and Kwon 2002). While research continues to build, the concept is still in the early stages of development and various frameworks are under proposal. It is the hope of the author that this paper will help to further gains regarding the understanding of the concepts surrounding social capital and contribute to the formalization of the concept in both theory and practice.

Keywords: Social Capital, Networks, Research

RESOURCE-DEPENDENCY AND RESOURCE-BASED: ANALYZING DYNAMIC CAPABILITIES OF JAPANESE THINK TANKS

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This paper puts the resource-based view and the resource-dependency theory to an empirical test. Recent studies on resource-based theory suggest the importance of complementary and dynamic capabilities to create and exploit knowledge. We emphasize usefulness of the resource-dependency approach in theorizing access to external resources. First, we review the central tenets of both theories and formulate propositions. Second, we use archival data from on 413 Japanese think tanks for the period 1987-1998 to illustrate support for the propositions. Third, we discuss the results and suggest an integrative framework of resource dynamics. Based on the framework we develop possible research trajectories for future hypothesis testing.

Keywords: resource-dependency approach, dynamic capabilities, exploration and exploitation

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