

Definition

- any knowledge, opinion, or belief about the environment, about oneself, or about one's behavior (Festinger, 1957 #165)
- organizational cognitions
 - the simple aggregation of individual cognitions
 - or do they transcend individual level cognitions?
 - how do cognitions produce organizational behavior?
- Bureaucracy as a thinking organization (Weber, 1973 #4501)
 - behavior that transcends its technical objectives
- latent function of an organization is different from its manifest function (Merton, 1936 #3198)
- Emergence of an efficiency driven extension of domain of action (not yet goal drift nor goal displacement) (Chandler, 1977 #2458)
- goal drift as the result of institutionalization (Selznick, 1949 #3547)
- a leader's job is to infuse an organization with meaning beyond its manifest functions. (Selznick, 1957 #471)
- (Thompson, 1967 #519) ???

Historical

- (Simon, 1947 [1997] #479) bounded rationality
- (March, 1958 [1993] #337) detailed below org solve bounded rationality pb
- (Cyert, 1963 [1992] #126) but goal conflict pb

Comes from open system, information processing view of the firm

- how an organization obtains information about its environment and its prior experience, how it uses this information to make decisions and take action.
- Two streams : information processing versus meaning creation (Lant, 1992 #4226)
 - process and code information in a computational manner. searching and processing relevant information such search is costly and decision makers are boundedly rational.
 - organizations are social entities that enact their world. systems of meaning creation. interpretive approach to study the role of cognition in organizations.
- Streams parallel the micro/individual streams symbolic versus connectionist (Fol, 2002 #4534)
 - Symbolic: individuals interpret stimuli by using pre-existing mental knowledge structures
 - connectionist: interactions among actors are the key process by which interpretations are made and meaning is created.

Key concepts from cognitive science

- Cognitive dissonance (Festinger, 1957 #165)
- Attribution theory (Kelley, 1973 #447s)
- Prospect theory, heuristics, biases (Kahneman, 1982 #279)

Systematic departure from rational model due to cognitive biases (Kahneman, 1982 #279)

Attention

- Key function of the firm is to allocate attention
- Allocation important due to situated cognition (Ocasio, 1997 #386)

Indiv Cognition

Categorization

- Purpose of categorization (Rosch, 2002 #5113)
 - Maximum information
 - Perception of world by structuring Vertical & horizontal
- Durable inequality can sustain when categorical distinction than a gradient (Tilly, 1998 #5110)
- Problems with existing social categories creates new categories (Boltanski, 1987 #5111)
- Category definition can be biased and arbitrarily directed to a desired outcome - Higher the CEO's salary, more expansive is the board's definition of peer group (Perc, 1999 #5115)

Memory

- Detailed review of cognitive research on organizations including applications of memory research (Walsh, 1995 #546)
- Transactive memory (Wegner, 1986 #4282)

History

- Top down, serial information processing fit traditional org theories: independence, hierarchy, control
- Open rational view Carnegie School
- Even contingency theories assume rationality, objectivity, control
- limited information processing abilities, assuming bounded rationality (March, 1958 [1993] #337)
- Contrary to neoclassical economists, assumption of bounded rationality imply variance of behavior between organizations
- important to study what organizations pay attention to and how they interpret the information that they gather

Seminal Works

- (Cyert, 1963 [1992] #126)
 - Org Goals, expectations and choices
 - Goals
 - Org. expectations
 - Based on inferences (extrapolations, etc.)
 - Affected by slack, past successes, nature of problem, location of search in the org.
 - Org. choices
 - SOP: identify alternative acceptable relative to choice
 - Affected by past experience and slack
 - Quasi resolution of conflict
 - Goals as independent variables (sales, profit, etc.)
 - Local rationality
 - Acceptable level decision rules
 - Uncertainty avoidance
 - Feedback-rick decision procedure: avoid long term decision
 - Negotiated environment: avoid uncertainties in others (internally and externally)
 - Relational models
 - Search is motivated: problem oriented
 - simple-minded search: simple concept of causality
 - Bias in search
 - Adaptation of goals
 - organizational learning
 - Adaptation in attention rules
 - learn to attend to some criteria to reach goals
 - Adaptation in search rules
 - inspired by (Lindblom, 1979 #325)
 - Garbage Can (Cohen, 1972 #114)
 - temporal ordering

Initial research about information processing

- focuses on information scanning and search activities
- little attention to the cognitive processes that underlie information processing. (Aguilar, 1967 #4275)
- (Galbraith, 1973 #3913)

Concepts

- (mid 1970's) addressing the phenomenon of subjective perception.
 - information available can be perceived and interpreted differently by different individuals and groups (Duncan, 1972; Starbuck, 1976)
 - the critical role of managers in firms
 - (Child 1972): manager make strategic choices, which position their firm
 - (Kiesler, 1982 #4705): why managers see things differently
 - (Mintzberg, 1971 #3223) various roles of managers
- Top managers are regarded as the most important interpreters in organizations
- By making this assumption, researchers implicitly assume that the cognitive action takes place in the heads of individuals.
- Dominant coalition? (Cyert, 1963 [1992] #126)
- focus on top managers is the hallmark of the information processing perspective.
 - (Dutton, 1987 #147)
 - (Dutton, 1997 #2598)
 - (Starbuck, 1988 #4303)
 - (Schwenk, 1984 #4299); (Schwenk, 1989 #468)
 - (Thomas, 1990 #518)
 - (Dutton, 1987 #147)
- Ambiguity on managerial interpretation
 - is it because of past experience?
 - Trying to extend Deadborn (1958) conclusions that past functional experience would frame current belief
 - Explored by Walsh (88): "the dominant dimensios of managers' belief structures did not constrain their information processing"
- social psychology and cognitive psychology:
 - studies use individual level models of symbolic processing, in which individuals interpret stimuli by using pre-existing mental knowledge structures,
 - knowledge structure "represents organized knowledge about a given concept or type of stimulus" (Fiske & Taylor, 1984).

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