

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: Dimensions organization coalition (what is viewed as important): org. division of labour in dec. making, definition of problems
 - Aspiration level: past goals, past perf., and past perf of comparable organizations see more in Krollag encyclo
 - 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
 - Goals as independent variables (sales, profit, etc.)
 - Local rationality
 - Acceptable level decision rules
 - Feedback-rick decision procedure: avoid long term decision
 - Negotiated environment: avoid uncertainties in others (internally and externally)
 - Quasi resolution of conflict
 - Uncertainty avoidance: Search is motivated: problem oriented
 - problemistic search: 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
- see full model (1992 p175)
- 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)
- most of the studies focus on the perceptions and interpretations of the external environment held by top managers.
- 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).

Lit Rev

application of individual information characteristics to organizational interpretation processes

(Dutton, 1987 #147)

apply categorization theory to managerial interpretations of strategic issues. model that describes how the meanings attached to strategic issues by decision makers are translated into organizational responses.

meanings attached to strategic issues are imposed by categories that decision makers employ to describe an issue.

Categories are engaged by using linguistic labels, such as "threat" and "opportunity", which are applied to strategic issues.

(e.g., D Milliken, 1990; Thomas & McDaniel, 1990; Walsh, 1988)

(Jackson, 1988 #2910)

contextual factors play a critical role in determining how managers process and interpret information

(Thomas, 1990 #518)

structure: top management teams structure to process large amount of information more likely to label strategic issues as opportunities

(Milliken, 1990 #4699)

suggest a high degree of complexity in interpretations. managerial interpretations are impacted by both environmental and organizational factors

Integrating models of Rationality

(Allison, 1969 #4295)

based on Simon, but also on (Lindblom, 1979 #325)

describes three conceptual models: the rational policy, organizational process, and bureaucratic politics models

shows the analysis that each provides of the missile crisis.

most dominant, the rational policy (rational action) model.

governments relatively unitary, cohesive decision-making bodies

weigh the costs and benefits of various options

make value-maximizing, rational choices about strategic action.

organizational process (bounded rationality)

various sub-units and their disparate interests

goals and procedures within the federal government

far more explanatory power than the rational action model

Decision rule: "satisficing"

Combination of satisfactory and sufficient

People choose the first solution that is both

Shortcuts: "standard operating procedures" / heuristics

The bureaucratic politics (bargaining) model

outcome of bargaining by many actors with diverse goals and unequal power

actor-centered model

Individual power and skill make a difference to the outcome

Allison suggest analysts to be conscious of the lenses through which they view and interpret events, as well as the assumptions inherent in conceptual frameworks.

see also rationality in misc sources: see Batilana memo

Critiques

Little resemblance to actual thought, should we even bother measuring it? (Fiol, 2002 #4534)

schema are gross and static, no info on the inside, its emergence (Kuklinski 1991)

ignore role of emotions, even though org. setting are strongly affect arousing (Fiol, 2002 #4534)

Neglect social context (Walsh, 1995 #546)

Power Model (Pfeffer, 1974 #3366) on the determination of university budget

Managers as actors

Managers as actors that proactively make sense of and invent their own decision possibilities (Fiol, 2002 #4534)

Introduced by (Weick, 1979 #553)

(Czarniawska 1997)

(Eden and Spender 1998)

(Meindl et al. 1996)

Symbolic architecture can not explain social behavior (Lord and Malher, 1991)

Common points

open systems view

assert that interpretations of similar stimuli by different individuals and groups vary.

In a micro sense: "knowledge content exist only in the presence of an activating source" (Fiol, 2002 #4534)

"Individuals engaged in ongoing processes through which they attempt to make their situations rationally accountable to themselves and others...the processes through which individuals create and use symbols, how reality is created and sustained."

Definition

(Weick, 1979 #553)

(Weick, 1993 #5028)

(Weick, 1995 #558)

(Dart, 1984 #129)

Model

many action may precede cognitions

Behavioral commitment is a stimulus to build a coherent worldview. Justifications can be easily transformed into goals as goals are so general.

micro processes of (post) justification as explanations of actions

(Staw, 1981 #495); (Staw, 1987 #496)

see (Weick, 1993 #5028)

reformulates the body of work on behavioral commitment to be a prototype of sensemaking in organizations

combined with three conditions necessary for behavioral commitment

choice

visibility

Irrevocability

Equivalency multiple conflicting interpretations give rise to the need for sensemaking

Sensemaking

Most crucial theory in cognitive view on organizations

linked to perception & attribution as the underlying cognitive processes

Cognitive maps (Weick, 1986 #2731)

Consists of the concepts and the relations a participant uses to understand situations

These maps come from outcomes, small experiments and consequences in the minds of people

Only 1 ASQ paper (Rodan & Charlie were working on it for some time on it)

Examples

(Weick, 1993 #556)

collapse of sensemaking at Mangulch

lack of bricolage

Critique

Not same as just recognition of symbolic role of management but implicit denial of substantive reality (Pfeffer, 1997 #409) p 78

Weick might be construing sensemaking too narrowly, in that he describes it as a purely conscious, controlled process - one in which automatic, unconscious cognitive processes seems to be relegated to the margins.

Things only make sense when they can somehow be fit into prior structures of understanding, or schemas. While this seems reasonable for the novel or unexpected, what about situations in organizational life that are routine and do not demand our full attention, but about which we make sense, nonetheless?

Weick implicitly dismisses all forward-looking, prospective sensemaking as a kind of layperson's myth. Weick argues sense is made of future events by imagining that they have already occurred and then infusing this "elapsd" experience with meaning.

Weick treats affect in sensemaking in essentially a passing acknowledgment sort of way, without really discussing how affect affects the sensemaking process. (good review in Aca. of Mgt. Rev. 21:1226)

Stories and Scripts

Scripts as cognitive schemas - episodic, categorical & generalized (Gioia, 1985 #2725)

(Martin, 1983 #5629)

(Martin, 1982 #5663)

Method: Semiotics

Semiotics offers an approach for researching and analyzing systems of meaning

(Barley, 1983 #5070)

shows that semiotically identical codes structure a funeral director's understanding of his various tasks.

Symbolic?

symbolism becomes as important as substance. (Weick, 1979 #553)

managers influence interpretations through their symbolic acts.

managers have powerful impact in shaping the interpretations of others through symbolic language and action.

(Bartunek, 1984 #4700)

study of ideological and structural change in a religious order

symbolic reframing by organizational leaders can lead to fundamental, substantive organizational change.

Studies concur that collective action does not require shared cognitions and belief structures.

Organized action or strategic change can be driven by shared understanding of rules of interaction and the symbolic meaning of the action.

(Fiol, 1994 #4701)

(Weick, 1993 #557)

(Gioia, 1996 #2726)

Are shared meaning or shared beliefs a necessary condition for organized action

(Lant, 2002 #4544)

see comprehensive discussion on mixing both in (Fiol, 2002 #4534), p125

major differences

different explanations of the diversity of interpretations of similar stimuli across organizations.

all organizations fundamentally face different environments.

environments are enacted

enactment suggests phenomenon being interpreted by the perceiver is also created by the perceiver.

concept of enactment related to a stream of work that assumes that reality is not so much perceived as constructed

(Berger, 1966 #54)

interpretation suggests phenomenon exists that is being perceived, also, connotes that the phenomena exist in an objective sense.

meaning creation perspective does not focus on top managers as the most important interpreters in the organization.

(Porac, 2002 #4554)

Mixing processing and meaning creation?

enactment perspective critical role in development of inter-organizational research on cognition and interpretations.

used the enactment perspective to study industry belief systems. (Porac, 1995 #414)

(Reger, 1993 #3428)

industries are enacted fields that are knitted together by collective beliefs

about desirable product attributes, market structures, appropriate ways of doing business, and the relative quality of member firms.

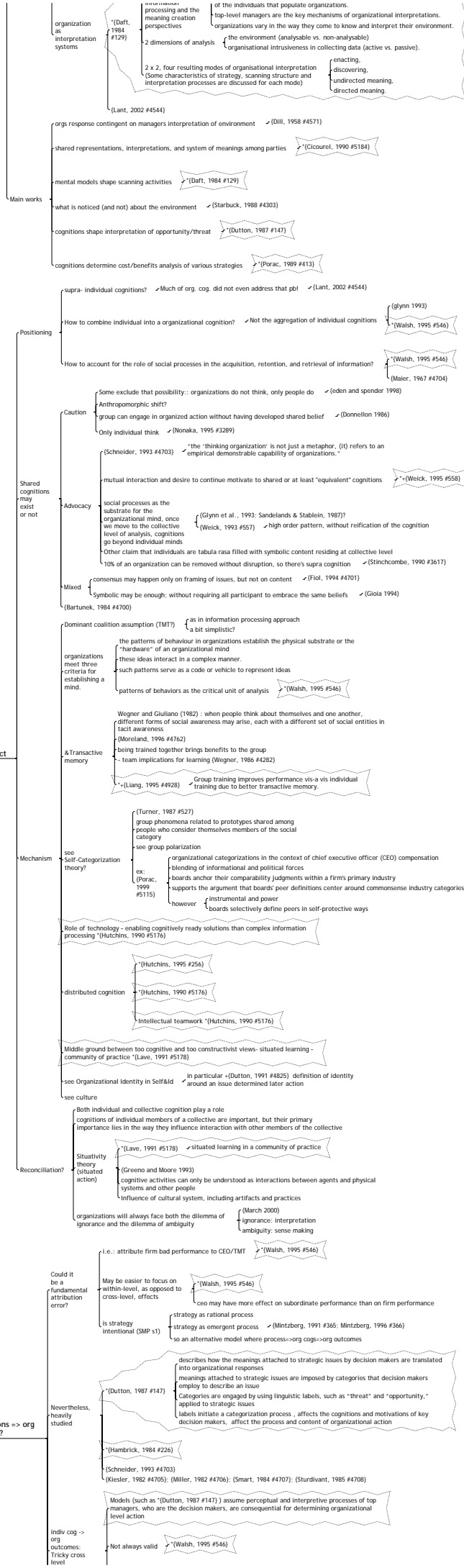
regards organizations as both systems of information processing and systems of meaning creation.

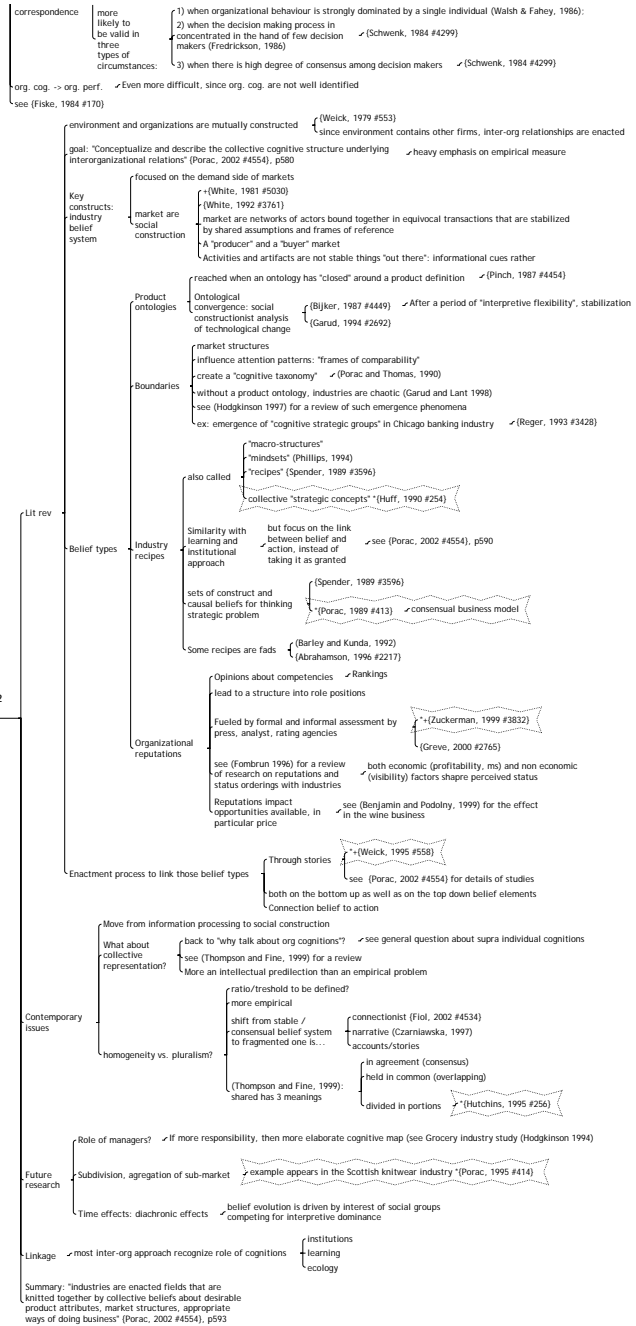
model based on 4 basic assumptions

mixing those of information

organizations are regarded as complex, open systems that process information from the environment.

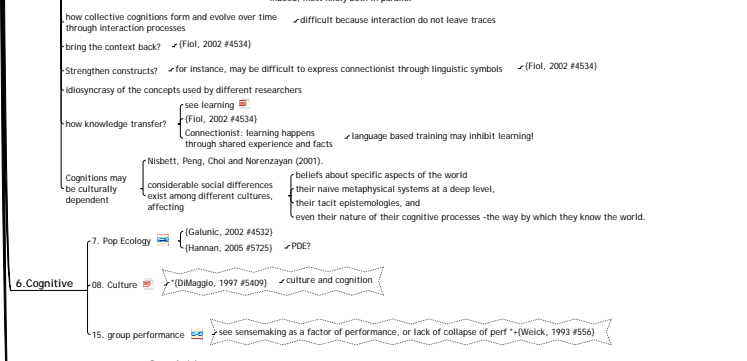
organizations have cognitive systems and memories that transcend those





Specific Inter-org issues (Porac, 2002 #4554)

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Sources

- To Scan macro
 - Baum Articles
 - OT articles: s7
 - SMP articles: s7
 - (Bae, 2001 #4525)
 - (Barbulescu, 2004 #4604)
 - F50 articles
 - OT Classics Ots summaries?
 - Mary Jo Hatch?
 - Chong articles summaries?
 - Mortensen articles summaries?
 - Chong Notes
 - Krotliag Notes on key articles
- based on (Battilana, 2004 #4527) / (Lant, 2002 #4544)
- rationality: see crozier-friedberg in Agreg