



Dynamics of Organizational Routines

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New EGOS Standing Working Group Starting 2015:

Routines and Routine Dynamics

Proposed by:

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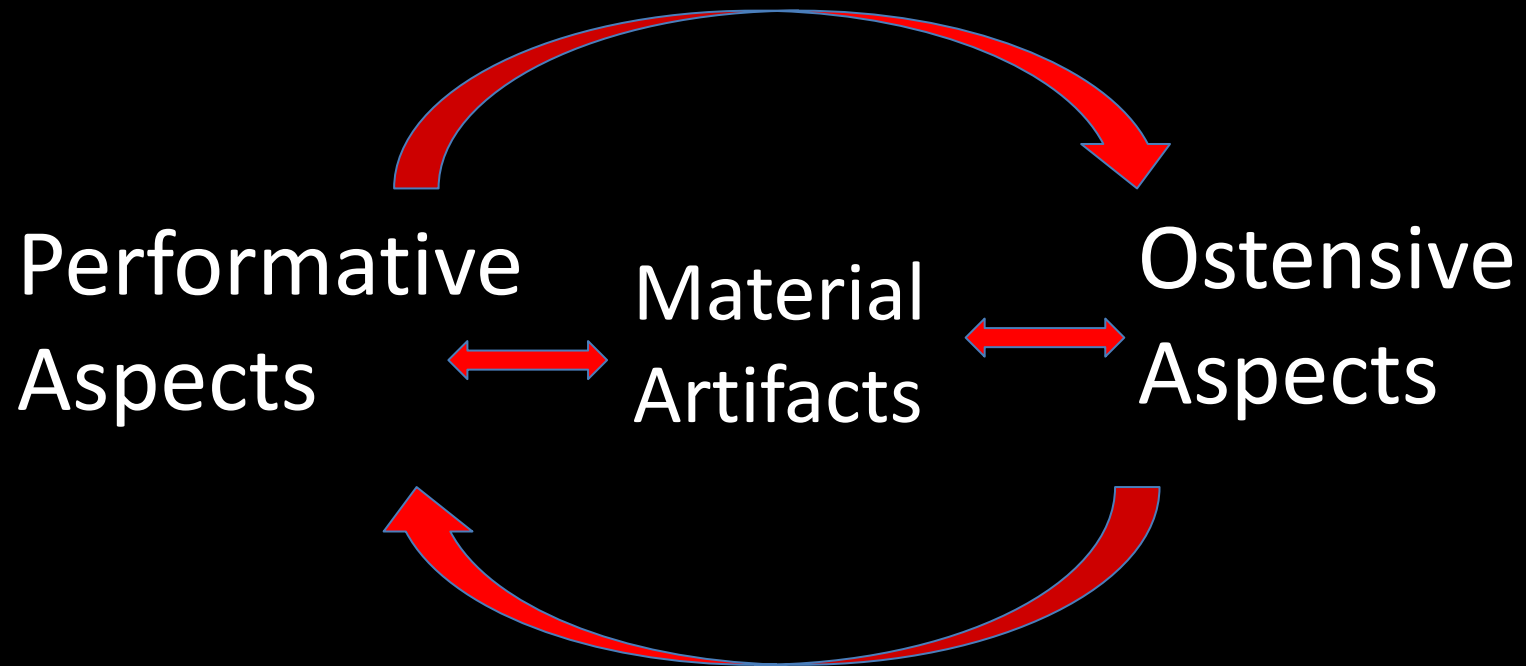
Brian Pentland

Routines?

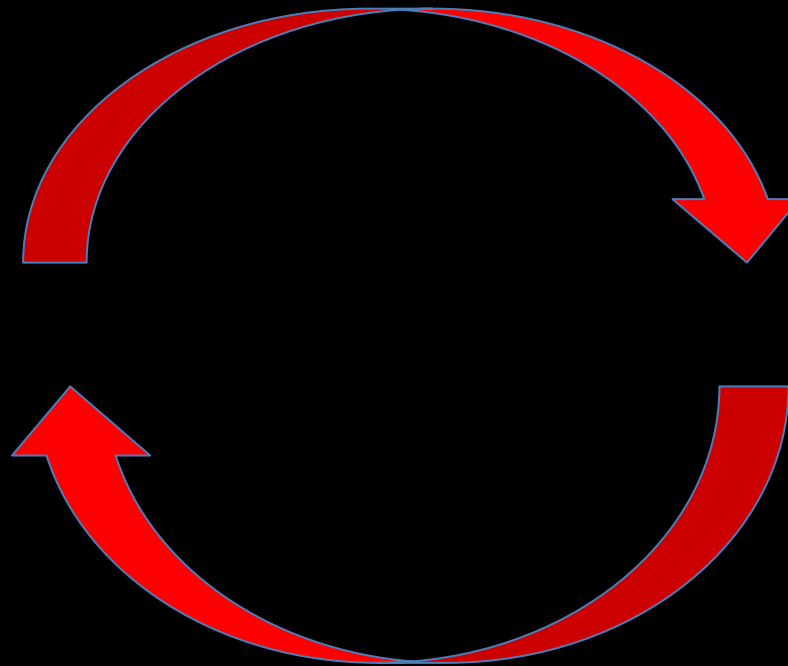
- Repetitive, recognizable patterns of interdependent actions
- Routines accomplish organizational work

Routine Dynamics?

- A Process Orientation: taking seriously both action and pattern
- Routines are practices that have performative, ostensive and material aspects
 - Performative = specific actions taken at specific times and places
 - Ostensive = enacted patterns
 - Material = equipment, written rules, etc.
- These aspects are mutually constituted



Performing



Patterning

Let's Experience Our Own Example

- We will hand out decks containing 5 cards.
- Your job: Trade cards to minimize variety.
- You have 5 minutes.

What did you do?

- What specific actions did you take?
- What patterns did you enact?
 - How did you enact variety?
 - Minimum?
 - What about trade?
- What were the rules?

What does the game illustrate?

- 3 distinct aspects of the routine
 - Material: cards, written rule, the layout of the room
 - Performative: you took specific actions
 - Ostensive: you enacted patterns: trade, minimize variation
- Each aspect constituted through the others
 - Performative: you needed the cards and rule (material) and you also needed the patterns we call trade and minimize (ostensive)
 - Material: the cards exist but have no meaning until they are taken up through action (performative) that has meaningful patterns (ostensive)
 - Ostensive: you can think the pattern, you can want the pattern, but you don't have the pattern until you enact it (performative, which entails materiality)

Routine dynamics are important

- Affect an organization's ability to produce stable outcomes.
- Affect an organization's ability to change.
- Affect an organization's ability to coordinate.

New and developing research

- Luciana D'Adderio: Routine dynamics, replication and materiality
- Carlo Salvato: Routine regulation and routine dynamics

Routine Dynamics, Replication & Materiality

Luciana D'Adderio

Replication

- Intel's “copy EXACT!” (Iansiti & West 2003)
 - Reaping the benefits of **innovation**
 - Replicating/copying **own** innovation at different locations

McDonald's, Starbucks, Pizza Hut, ...

Replication dilemma


- exploration (learning) vs. exploitation (precision) (March 1991)
- reasons to **replicate** (Szulanski & Winter 2001)
 - Using template for diagnostics
- reasons to **innovate** (Bartlett and Ghoshal 1989)
 - Adapting routines to local context

to innovate or replicate?



Addressing contrasting goals

- Carnegie School (March 1991, Cyert & March 1992, Ethiraj & Levinthal 2009):
- Sequential attention:
 - first one goal, then the other



“rarely see conflicting objectives simultaneously”

“the probability is low that [competing] demands are made simultaneously”

(Cyert and March 1992, p. 41)



Recent challenges

- greater complexity, increasing pace of change
- contrasting goals often **coexist**, cannot be deferred & must be addressed **simultaneously**

how to address the replication dilemma?

An Ethnography of 'Copy Exactly!'



(US)



(UK)

\$30m server transfer
at US electronics manufacturer



Innovation vs. replication: trade-off

Pressure to Replicate

- keeping the template the same
- high complexity, quality and reliability

“The sense we had was a ripple, when you throw a rock into a pond, and the ripples cascade outwards...”

...a relatively small difference can have far reaching effects”

(US manager)

Pressure to Innovate

- Improving the template
- UK site a source of expertise: learning opportunities, including standardisation, 'best' practice

Does it stifle creativity if you force two engineering groups in different parts of the world to copy one another? And you've got obstacles to change anything?

(UK manager)



*how did they address the
innovation/replication dilemma?*

Enacting goals

- **both** at the same time but in **different** proportions:
 - **energizing** one goal through performances
 - **relegating** other goal to the background

Selective performance

the process by which organizations harness social and material features of context to enact routinized patterns that selectively perform one goal over another, both at specific points in time, and over time

(D'Adderio 2014)

Transfer: replication prevails

*The imperative we had early on in the product was that **it had to be “mirror image”**. The idea was hold the mirror up to the process in [origin] and it’s really what you want to build”*

*“You want it to look the same, you want the people to look the same, their training, their attitude, the way they approach the job, the actual job they do: **everything has to be the same**”*

enacting replication

- Artefacts:

Big Rules”: “carbon copy”, “mirror image”, “drag & drop”

“Model”, “Exceptions List”

- Communities:

“Failure is Not An Option” (FINAO)
team



Artifacts & communities orienting towards alignment

“Our director said: ‘You’ve got to transfer this exactly as we are transferring it, **if we use red screwdrivers, you are going to use red screwdrivers**, no matter what we do, you are to do it exactly the same’.”

(UK manager)

Post transfer: innovation prevails

At the beginning, there was **paranoia to align everything**. You could have changes but you **would have to align the hell out of it...**

...Now there is still a perception that we are every little bit aligned, ..., but **we are not quite as worried** as we used to be.

enacting innovation

- Artefacts:

Change Request, Revised Model

- Communities:

Change Review Board, Engineering Forum



Artifacts & communities orienting towards improvement

[A]nd now we are really saying: ok, how do we get **continuous improvement** out of the [destination] team?

We have to develop a structure that allows people to **innovate**, and then say, **here's a great idea**, why don't we implement this at both sites.



materiality:

affordance & negotiation



affordance

Goals delegated to artifacts through inscription

“The ‘**Big Rules**’ tool, where everything has to be the same, that’s been **a key tenet.**”

(U.S. manager)



negotiation

Properties negotiated through community meetings & fora

*“**We have agreed** that Green is ‘path completed’ so this is ‘a plan has been made but not executed,’ so it is a Yellow.”* (U.S. manager)

*“**It depends on how you phrase it.** The Big Rule may be Green but not the Action.”*
(UK manager)



Conclusions - 1

- How organisations address contrasting goals
- from sequential attention (either/or) to selective performance (both)



Conclusions - 2

- role of context in routines
- not simply embedded in, but enacted through context
- dynamically orienting routines towards specific goals



Conclusions - 3

- role of artifacts and communities
- How social & material features orient towards goals
- how specific sociomaterial configurations shape routines



Organization Science:

The Replication Dilemma
Unravelling. How Organization
Enact Multiple Goals in Routine
Transfer

EGOS 2017 Sub-theme: 'Transfer and Transformation'

Convenors: D'Adderio & Feldman



33th EGOS Colloquium
Copenhagen
July 6–8, 2017

Developing research

“Routine Regulation and Routine Dynamics”

Carlo Salvato
Bocconi University
CRIOS Research Center

(with Claus Rerup, Ivey Business School,
Western U.)

One NPD routine capable of simultaneously enacting competing demands

Ostensive interpretation 1
(1970 – 2006)

Ostensive interpretation 2
(1990 – 2006)

The “Dream factory”

The “Efficient factory”

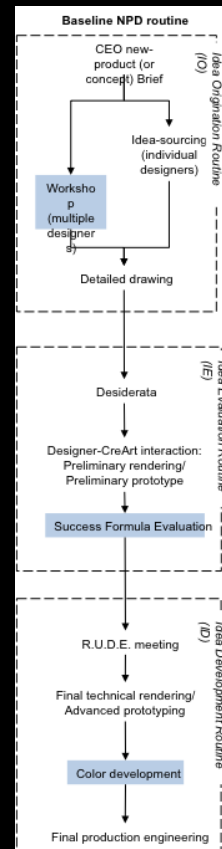
“Officina Alessi:
Art and poetry”

“Super”



“A di Alessi: Top design, pop
price”

“Popular”



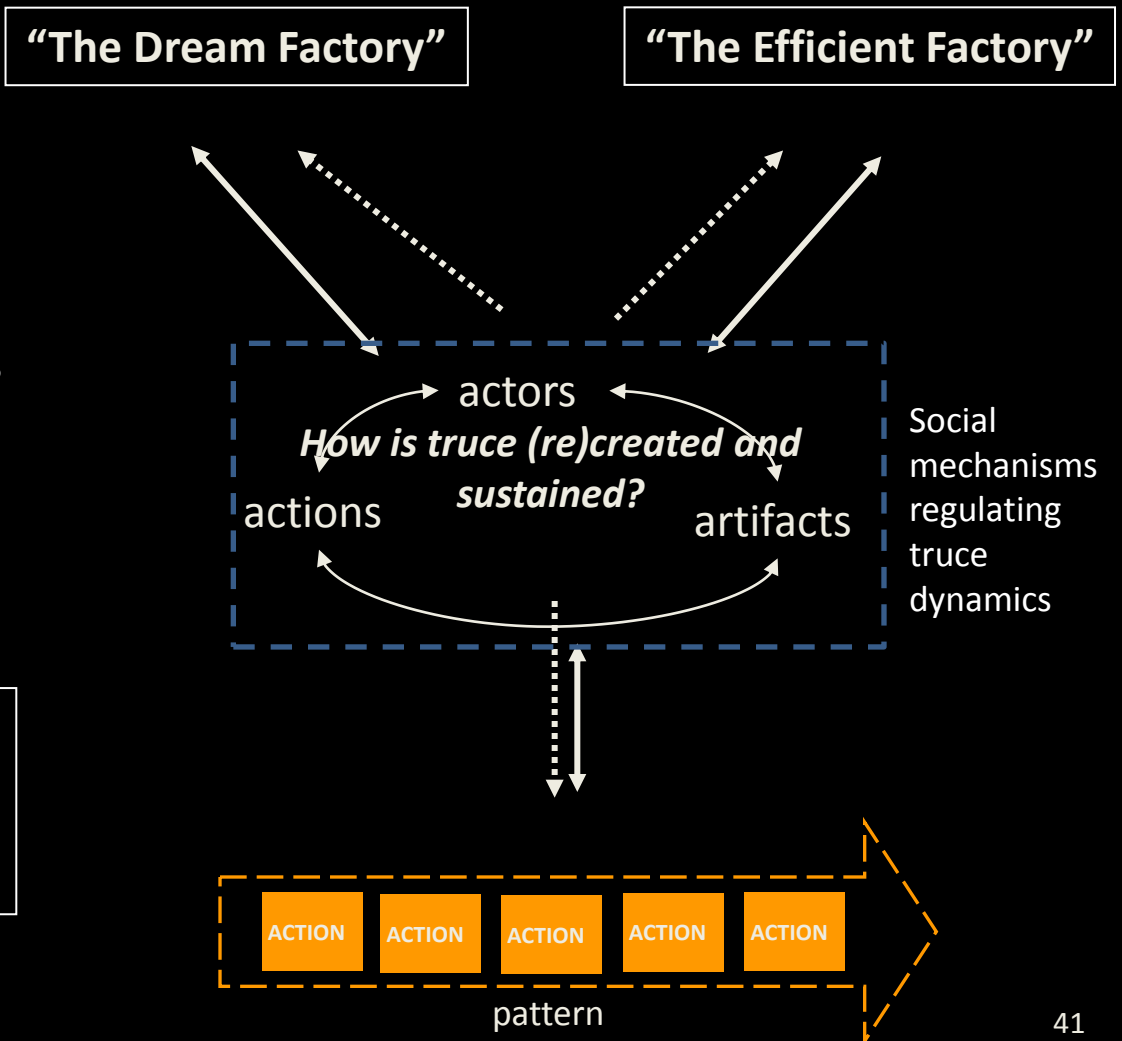
What we DON'T know: Can organizations simultaneously attend to multiple, competing demands?

Step 1: Ostensive / performative parts

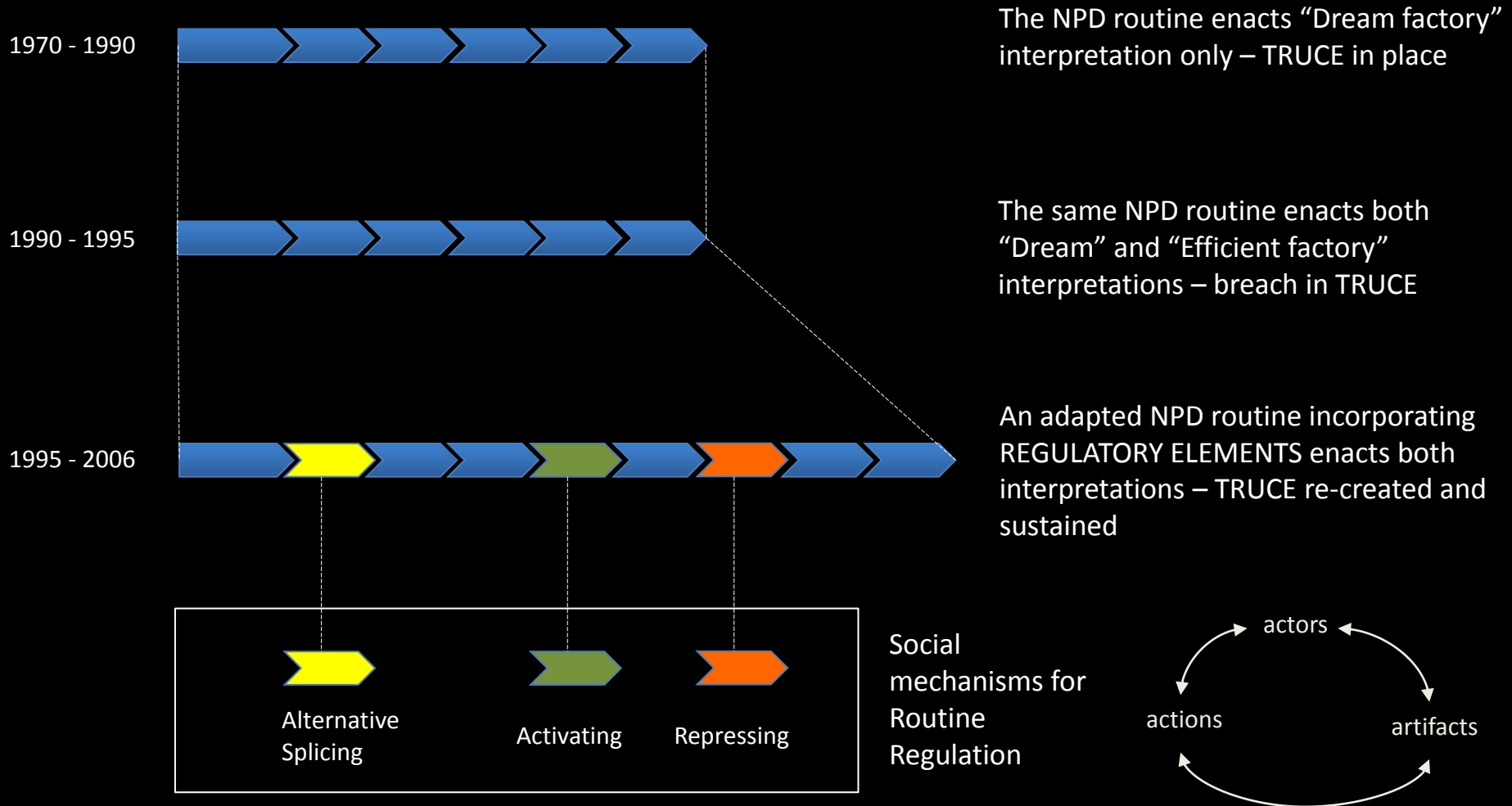
Step 2: Multiple ostensive patterns

- Is it possible?
- What implications for routine dynamics?

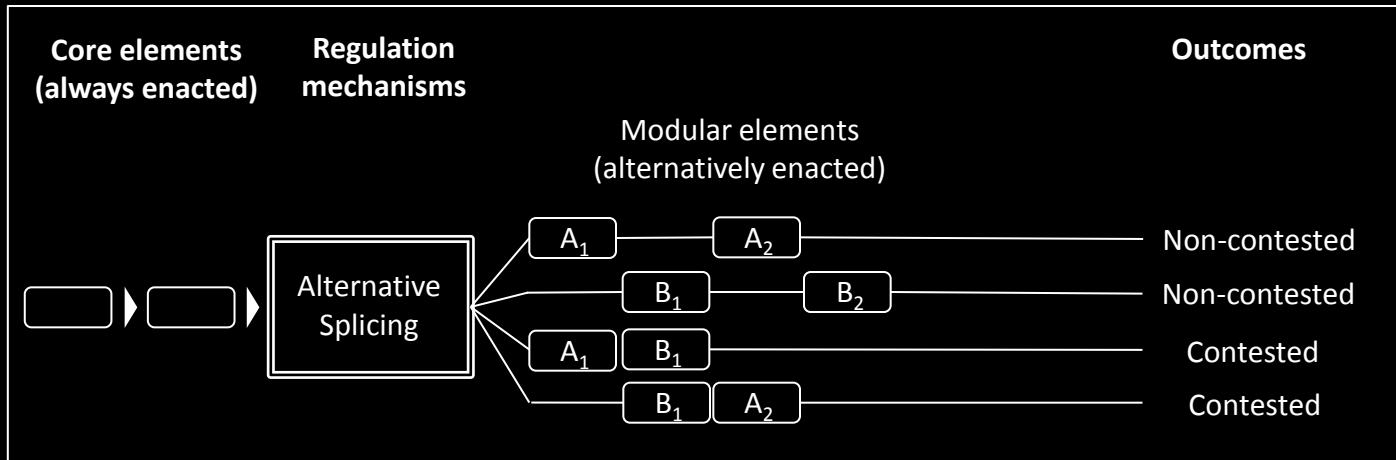
Step 3: Social mechanisms linking actors, actions, and artifacts to capture the co-existence of multiple ostensive understandings



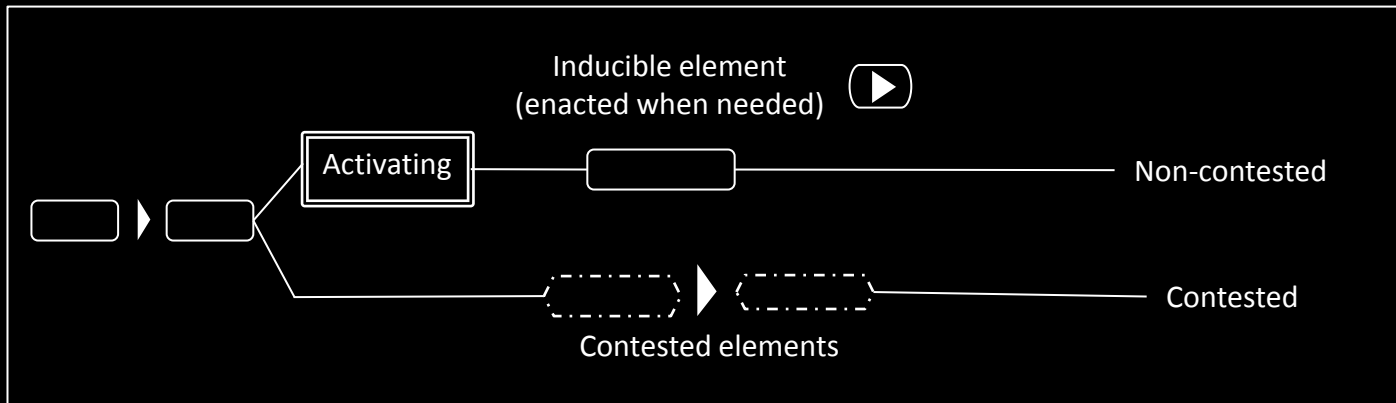
"Routine as gene" and its mechanisms for routine regulation



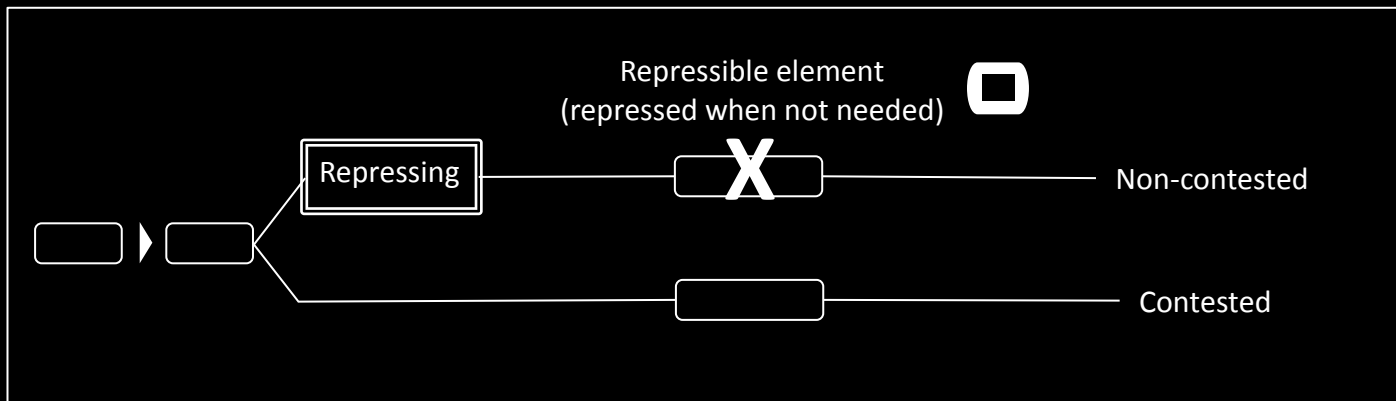
Alternative Splicing



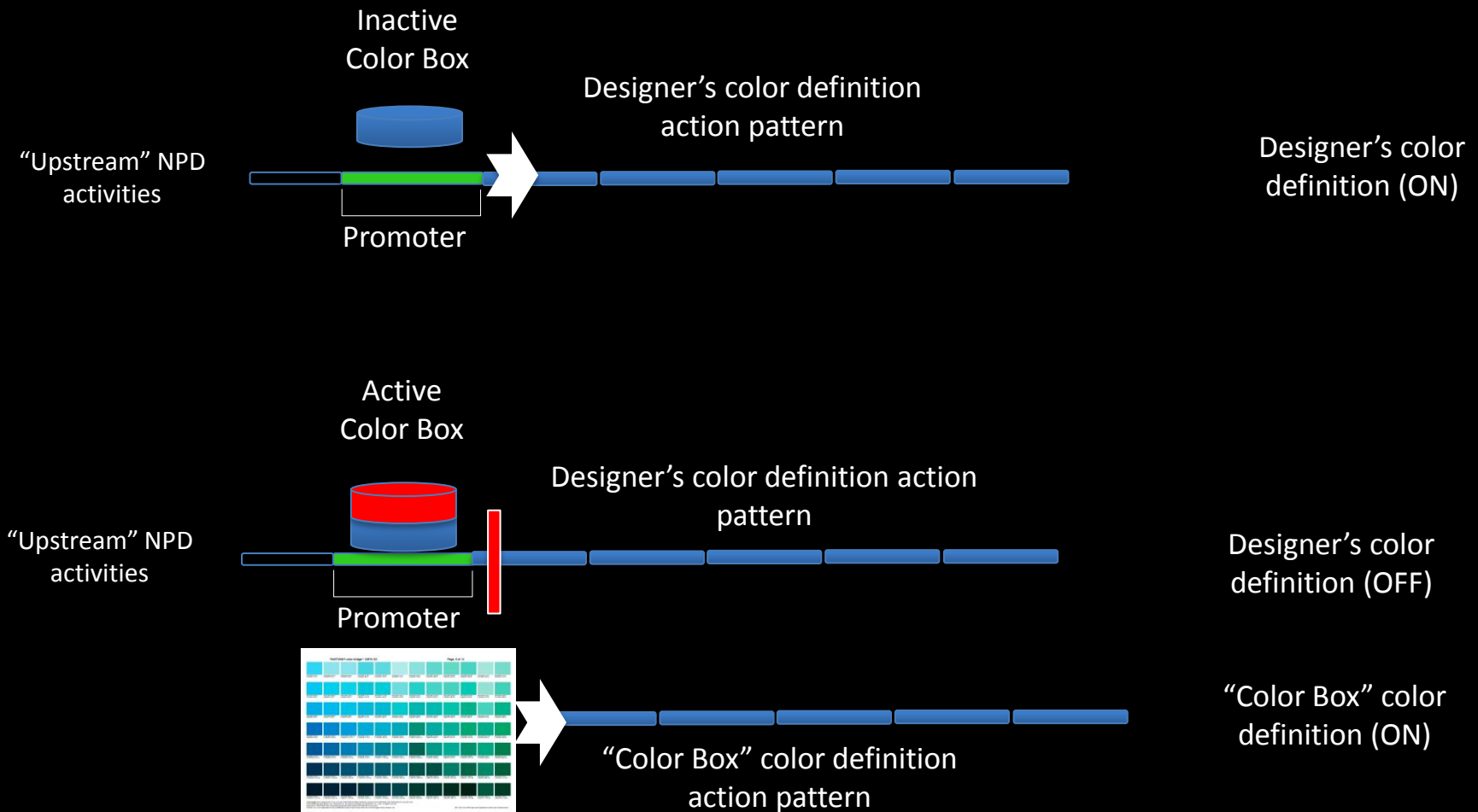
Activating



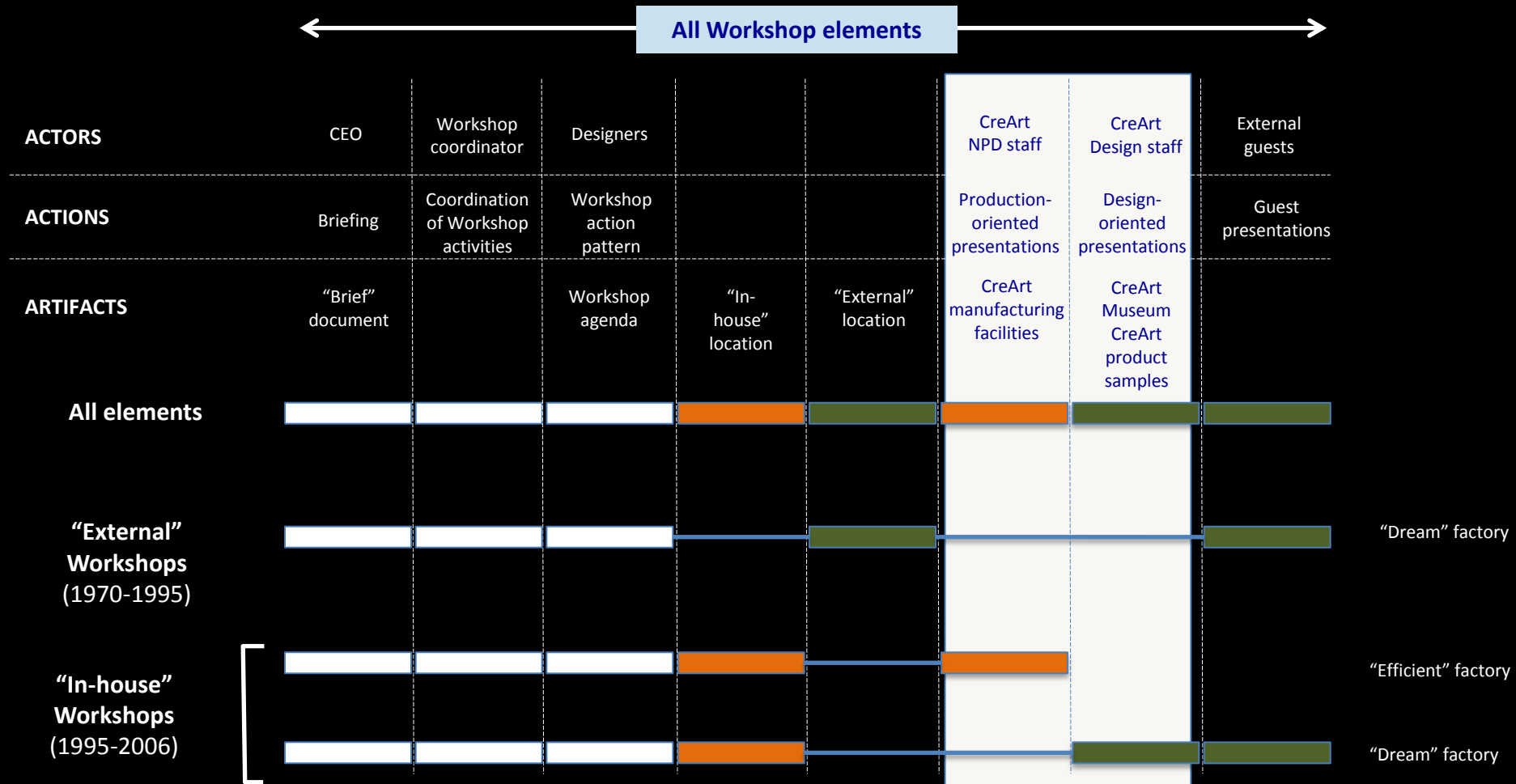
Repressing



An “activating/repressing” routine regulation mechanism: The “Color development” sub-routine



An “Alternative Splicing” routine regulation mechanism: The product development Workshop



“In-house” Workshop at CreArt HQs



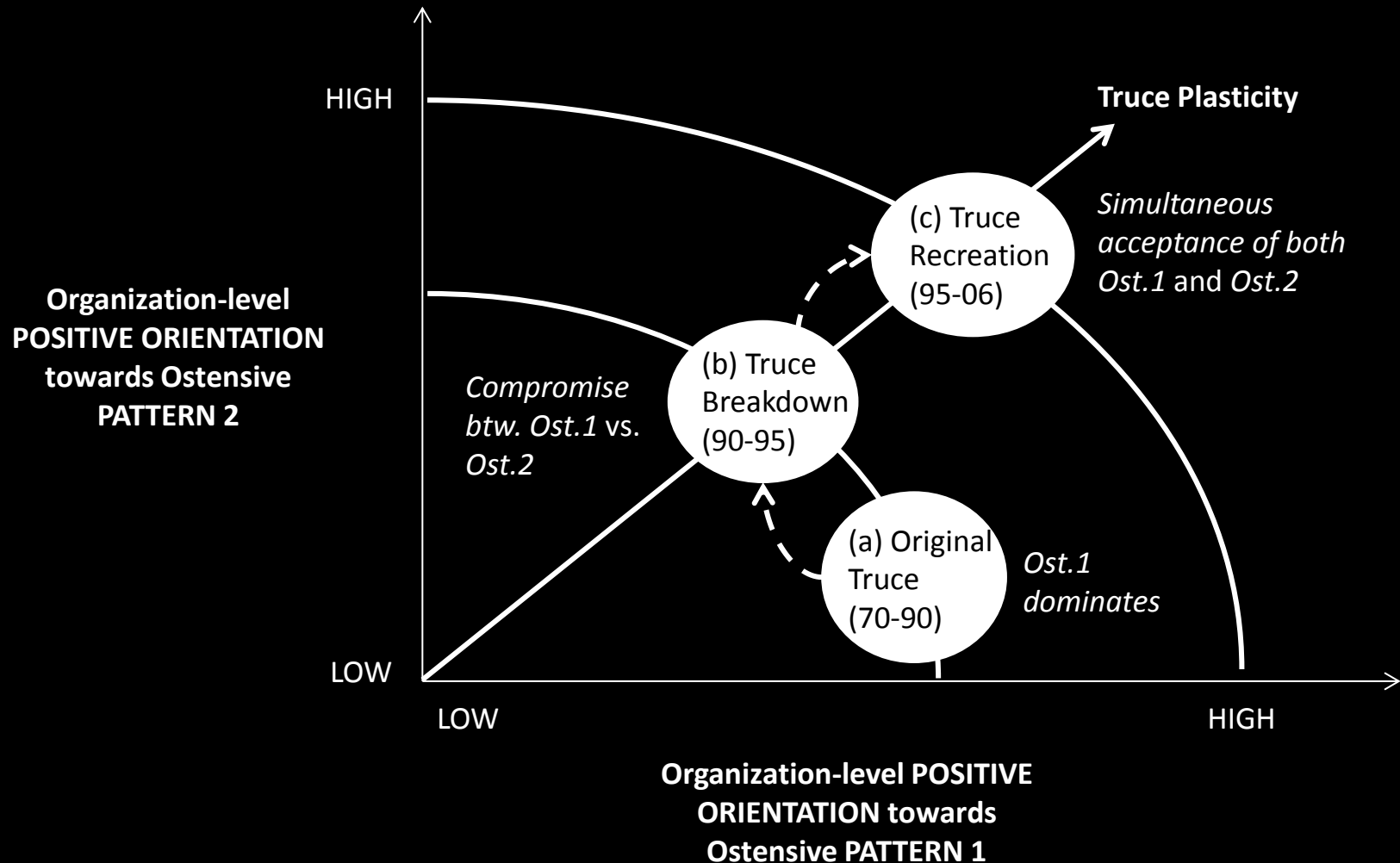
- Visiting CreArt factory
- Meeting production personnel



- Visiting CreArt Museum
- Meeting design personnel



Truce dynamics



Emerging insights on routine dynamics

A. An explanation of truce dynamics:

- how a truce is created and sustained
- how a truce can retain generative conflict

B. The concept of “routine regulation”:

- building on the “routine as gene” analogy
- introducing performativity and related dynamism in the truce

C. How routines attend to multiple, competing demands:

- by enhancing connections among participants with contrasting viewpoints
- by turning barriers into junctions



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Aims of the Standing Working Group on Routines and Routine Dynamics

Promote and support empirical and theoretical research that develops the implications for organizations of a process orientation to routines.



Subthemes

2015: Routines, innovation and creativity

2016: Routines, entrepreneurial foundations and organizational development

2017: Routines, transfer and transformation

2018: Routines, stability and change



Professional Development Workshops

2017: Ethnography and the
study of routines

2018: Quantitative
methods for detecting and
comparing patterns in
sequences



EGOS 2015 in Athens: Routines, innovation and creativity

Co-convenors:

Dionysis Dionysiou

Martha Feldman

Carlo Salvato



What do ROUTINES have to do with CREATIVITY and INNOVATION?

Traditional view of routines as sustaining inertia and stability

Practice theory-based reconceptualization of routines

- action
- agency
- performativity



- situation
- structure
- materiality



Routines as both embodying and generating innovation and creativity

Some questions of interest ./..

- *Emergence and adaptation.* How do new and creative ways of doing things emerge, and adapt over time?
- *Creative routines and organizations.* When is creativity likely to be important to the design, performance, understanding, or outcomes of a routine?
- *Interdependence.* How does interdependence of actions and actors in routines generate creativity and innovation? How does conflict or other forms of friction encourage new solutions and perhaps new problems?

Some questions of interest ./..

- *Multiplicity and ecologies of routines.* How do relationships among connected routines affect how creative routines emerge, and how existing routines favor or hinder innovation?
- *Artifacts.* How do different configurations of actors and artifacts shape a routine's innovative nature or its ability to determine innovative outcomes?



Thank you.
Questions?