Dynamics of Organizational Routines

Martha S. Feldman, Chair
Luciana D’Adderio
Carlo Salvato
New EGOS Standing Working Group Starting 2015:

Routines and Routine Dynamics

Proposed by:
Luciana D’Adderio
Martha Feldman
Nathalie Lazaric
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
Performative Aspects

Material Artifacts

Ostensive Aspects

[Diagram showing the interrelation between Performative Aspects, Material Artifacts, and Ostensive Aspects]
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


- **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!’

$30m server transfer at US electronics manufacturer (US)
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 Unravelled. 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)*

The “Dream factory”

“Officina Alessi: Art and poetry”

“Super”

**Ostensive interpretation 2**  
*(1990 – 2006)*

The “Efficient factory”

“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

"The Dream Factory" vs "The Efficient Factory"

How is truce (re)created and sustained?

Social mechanisms regulating truce dynamics

What we DON’T know: Can organizations simultaneously attend to multiple, competing demands?
“Routine as gene” and its mechanisms for routine regulation

- **1970 - 1990**: The NPD routine enacts “Dream factory” interpretation only – TRUCE in place
- **1990 - 1995**: The same NPD routine enacts both “Dream” and “Efficient factory” interpretations – breach in TRUCE
- **1995 - 2006**: An adapted NPD routine incorporating REGULATORY ELEMENTS enacts both interpretations – TRUCE re-created and sustained

Social mechanisms for Routine Regulation:
- Alternative Splicing
- Activating
- Repressing

Artifacts

actions

actors
### Core elements (always enacted)

- **Alternative Splicing**
  - Core elements
- **Regulation mechanisms**
  - Modular elements (alternatively enacted)
  - Contested
  - Non-contested
- **Outcomes**
  - Non-contested
  - Non-contested
  - Contested
  - Contested

### Inducible element (enacted when needed)

- **Activating**
  - Inducible element
  - Non-contested
  - Contested

### Repressible element (repressed when not needed)

- **Repressing**
  - Repressible element
  - Non-contested
  - Contested
An “activating/repressing” routine regulation mechanism: The “Color development” sub-routine

An "activating/repressing" routine regulation mechanism: The "Color development" sub-routine
An “Alternative Splicing” routine regulation mechanism: The product development Workshop

<table>
<thead>
<tr>
<th>ACTORS</th>
<th>CEO</th>
<th>Workshop coordinator</th>
<th>Designers</th>
<th>CreArt NPD staff</th>
<th>CreArt Design staff</th>
<th>External guests</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACTIONS</td>
<td>Briefing</td>
<td>Coordination of Workshop activities</td>
<td>Workshop action pattern</td>
<td>Production-oriented presentations</td>
<td>Design-oriented presentations</td>
<td>Guest presentations</td>
</tr>
<tr>
<td>ARTIFACTS</td>
<td>“Brief” document</td>
<td>Workshop agenda</td>
<td>“In-house” location</td>
<td>CreArt manufacturing facilities</td>
<td>CreArt Museum CreArt product samples</td>
<td></td>
</tr>
</tbody>
</table>

All elements


“In-house” Workshops (1995-2006)
“In-house” Workshop at CreArt HQs

- Visiting CreArt factory
- Meeting production personnel

- Visiting CreArt Museum
- Meeting design personnel

Driving “Efficient Factory” interpretation

Driving “Dream Factory” interpretation
Truce dynamics

- **(a) Original Truce**: 70-90
- **(b) Truce Breakdown**: 90-95
- **(c) Truce Recreation**: 95-06

**Organization-level POSITIVE ORIENTATION towards Ostensive PATTERN 2**

- **Compromise btw. Ost.1 vs. Ost.2**
- **Simultaneous acceptance of both Ost.1 and Ost.2**

**Truce Plasticity**

**Ost.1 dominates**
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
New EGOS Standing Working Group Starting 2015:

Routines and Routine Dynamics

Proposed by:
Luciana D’Adderio
Martha Feldman
Nathalie Lazaric
Brian Pentland
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?