

# An Interactionist Perspective on Organisational Adaptation

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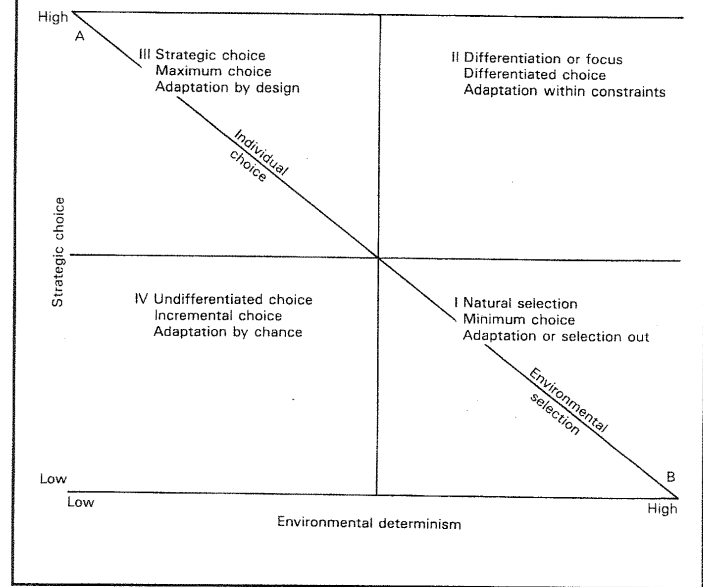
This article is concerned with the question of organisational adaptation. Its purpose is to extend present thinking[1] by explicitly incorporating an interactionist perspective. In doing so, it builds on the central theme that, however common, simple a-affects-b hypotheses fail to recognise the complex parallel processing, bi-directional causality and reverberating feedback that characterise organisation-environment interactions[2].

To date, the literature on organisations has largely been based on the assumption that strategic choice and environmental determinism represent mutually exclusive, competing explanations of organisational adaptation[3]. In contrast, it is becoming increasingly recognised that organisational adaptation results from the interaction (double interacts) between strategic choice and environmental determinism. Hrebiniak and Joyce[4], for example, argue that, while choice and determinism are independent variables, they can be arrayed on two separate continua to form an inclusive typology of organisational adaptation. As envisioned by Hrebiniak and Joyce, the interaction of strategic choice and environmental determinism yield four primary adaptive types (see Figure 1):

- (1) *natural selection*, with low strategic choice and high environmental determinism;
- (2) *differentiation*, with high strategic choice and high environmental determinism;
- (3) *strategic choice*, with high strategic choice and low environmental determinism, and
- (4) *undifferentiated choice*, with low strategic choice and low environmental determinism.

Such typologies are important because they emphasise that organisations respond to their environments as well as create them. Moreover, being based on a systems framework, they stress that organisational adaptation is a dynamic transaction between organisation and environment. Rather than following prevailing assumptions that assume one-way causality, they describe how organisational

Figure 1. Hrebiniak and Joyce Typology of Organisational Adaptation



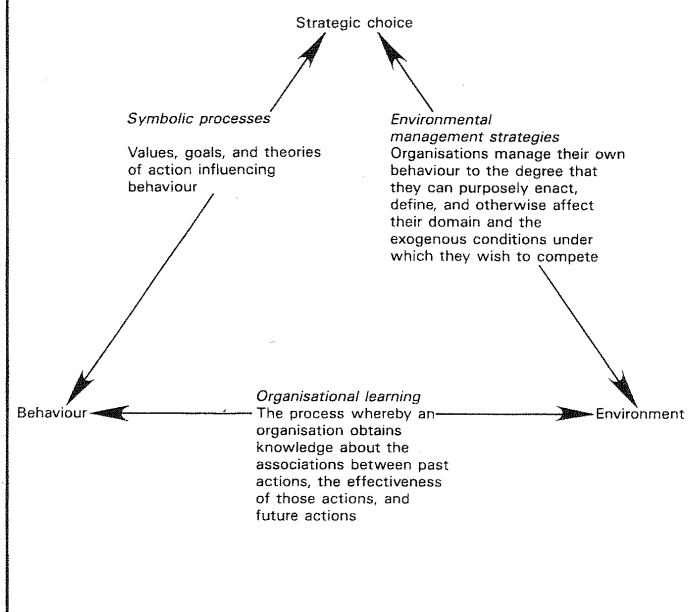
adaptation is a continuous process based on multi-directional interaction or feedback between objective environmental attributes and managerial choice. This notion conveys the idea of what Pervin and Lewis[5] label "reciprocal action-transaction". Such reciprocal causation, or interaction, derives from two factors: (1) organisations not only react to their individual environments, they also create or enact them, and (2) the resulting new environments in turn influence future organisational actions, which alternatively change the environments again. In this way of thinking, it makes little sense to speak of an organisation apart from its environment. They are inherently inseparable.

The above factors underscore several significant considerations. First, the continuous reciprocal influence underlying the cognitive interpretation and reinterpretation of an organisation's environment emphasises the need to consider both subjective and objective phenomena. Second, since environments are actively constructed, an understanding of the adaptation process requires observing organisations across time so that changes in their behaviour as they successively enact new environments can be examined.

The critical point here is that organisational adaptation is an ongoing, multi-directional relationship in which organisations neither mechanically react to environmental forces nor exercise unrestricted free will (strategic choice). Stated differently, an organisation and its environment compose a complex interactive system. The actions taken by an organisation can have important effects on its environment and, conversely, the outcomes of organisational actions are partially determined by events in the environment. Each continuously influences the other.

The parallel between this logic and contemporary social learning theory is strong. Social learning theorists hold that behaviour, cognitive processes and environment exist in a

**Figure 2. A Basic Interactive Model of Organisational Adaptation**



state of reciprocal interaction. Sometimes, individual behaviour prevails in this interaction, while, at other times, environment prevails. Meanwhile, people exercise self-control to the degree that they can rely on cognitive supports[6]. Figure 2 builds on this parallel. It presents a basic model that extends the logic presented in the Hrebiniak and Joyce[4] typology by stressing that an organisation's behaviour itself, as well as strategic choice and environmental determinism, are reciprocal determinants over time. Thus, Figure 2 presents organisational adaptation as an interactive process in which strategic choice, environment and behaviour form an inextricably interwoven relationship. In this view, strategic choice, environment and behaviour continuously influence each other.

Similar organisations in like environments often behave quite differently

Figure 2 further amplifies the prevailing organisational adaptation logic by assigning a role to organisational learning and by suggesting how organisations act on environmental information *vis-à-vis* symbolic processes and environmental management strategies. These complementary activities help explain why similar organisations in like environments often behave quite differently. The role of environmental management strategies in this regard is well established[7]. Likewise, the importance of continuous organisational learning has been clearly determined[8]. By contrast, the impact of symbolic processes on organisational adaptation have only recently been studied. While theories

of action[9] and goals[10] have been explored in this connection, the significance of top management values as a potential screen between an organisation and its behaviour deserve further attention[11].

We have argued that strategic choice, environment and behaviour are indispensably linked. To date, little research employing designs that allow for the dynamic interaction thus implied has been done. It is not enough to say that organisations interact with environments, or *vice versa*. Rather, what is needed is a more complete delineation of the exchange processes (Figure 2) underlying organisational adaptation.

Moreover, research that captures how an organisation's strategic choices at Time 1 influence its behaviour and environment at Time 2, and so on, is sorely needed. Such research will require collecting data that allow for examining multi-directional change among all three focal variables. This is more than another plea for longitudinal research. The acceptance of dynamic models requires the explicit specification of change mechanisms before data collection[12]. Much work remains in this regard.

The basic model presented in Figure 2 promotes a conceptualisation of organisational adaptation which supports the idea that an organisation's behaviour exists in continuous, multi-directional interaction with strategic and environmental determinants.

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