

Paper to be presented at the DRUID 2012

on

June 19 to June 21

at

CBS, Copenhagen, Denmark,

# The search environment is not benign: Reassessing the social risks of intra-organizational search

### Sam MacAulay

Imperial College Business School sammbo@gmail.com

#### John Steen

University of Queensland Business School j.steen@business.uq.edu.au

#### Tim Kastelle

University of Queensland Business School t.kastelle@business.uq.edu.au

#### **Abstract**

The behavioral search process is central to explaining how organizational capabilities evolve through learning. However, issues of individual agency and process have tended to reside backstage in this literature. As a result, the agency of individuals involved in the search process has typically been blackboxed and micro-foundational assumptions associated with individual search have therefore been difficult to challenge. We take a different approach in this paper and use data gathered through in-depth fieldwork to challenge March and Simon?s (1958:50) foundational assumption that actors perceive the search environment to be benign. This assumption has become taken for granted in subsequent

research into intra-organizational search. In-depth qualitative research, produced through two years of ethnographic interviews and non-participant observation at a large mining conglomerate, enables us to identify how social risk complicates the individual search process associated with intra-organizational learning and generates a search environment within capabilities that actors perceive to be non-benign. In revising the ?benign search environment? assumption we introduce an important boundary condition for predictions of local search bias and highlight a new causal path connecting patterns of individual search to the evolution of higher-order trajectories of capability evolution.

## The search environment is not benign: Reassessing the social risks of intra-organizational search<sup>1</sup>

Sam MacAulay
Imperial College London
&

John Steen and Tim Kastelle University of Queensland

First Draft. 10.1.2012.

Comments Welcome.
Abstract

The behavioral search process is central to explaining how organizational capabilities evolve through learning. However, issues of individual agency and process have tended to reside backstage in this literature. As a result, the agency of individuals involved in the search process has typically been blackboxed and micro-foundational assumptions associated with individual search have therefore been difficult to challenge. We take a different approach in this paper and use data gathered through in-depth fieldwork to challenge March and Simon's (1958:50) foundational assumption that actors perceive the search environment to be benign. This assumption has become taken for granted in subsequent research into intra-organizational search. In-depth qualitative research, produced through two years of ethnographic interviews and non-participant observation at a large mining conglomerate, enables us to identify how social risk complicates the individual search process associated with intra-organizational learning and generates a search environment within capabilities that actors perceive to be non-benign. In revising the 'benign search environment' assumption we introduce an important boundary condition for predictions of local search bias and highlight a new causal path connecting patterns of individual search to the evolution of higher-order trajectories of capability evolution.

rests with the authors. Correspondence: s.macaulay@imperial.ac.uk

\_

<sup>&</sup>lt;sup>1</sup> This paper has been developed from the first author's PhD Dissertation and the support of the Australian Research Council APA Award and the ARC Centre for Complex Systems during this period is appreciated. Thorsten Grohsjean, Jan Ross and Antoine Vernet read early drafts of the current paper and their feedback helped focus the arguments and shape its current form. Oliver Alexy provided valuable feedback on the theoretical framing. Years of talking about search and learning with Lars Håkanson helped motivate the theoretical arguments. Naturally, responsibility for the final product