Effects of organizational aging on organizations – Overview and suggestions for future

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Abstract

This paper reviews the research conducted on the effects of organizational aging on organizations. The important theories and popular topics of empirical research applied in the field are introduced. In the discussion section, the shortcomings and strengths of previous research are addressed and suggestions are made for the direction of the research on the field in the future.

State-of-the-art: Aging is an inevitable process faced by all organizations. Due to its ubiquitous nature, organizational aging is more or less related to everything that an organization does. Hence, the topic has been widely studied by academics for decades. Especially the literature streams of organizational ecology and industrial economics as well as the management literature have made a significant contribution in the theoretical understanding of how aging affects organizations. The most popular topics of the empirical research in the field have been the effects of organizational aging on the survival and growth of organizations and also the relationship of organizational aging and change has been a popular topic among the scholars.

Research gap: Despite the vast amount of research conducted on the topic, surprisingly, or maybe just due to this great amount of studies, there has been no attempt to review the broad topic of the effects of aging on organizations. This review paper builds a broad picture of the topic by presenting the traditionally important themes in the research field as well as some newer themes.

Theoretical argument: The studies on the effects of organizational aging on organizations cover decades of research, but the scholars on field have still not fully agreed on what the effects actually are and how the mechanisms behind them work. This paper claims that this is partly due to the oversimplification of this complex phenomenon in many of the studies, but also due to the inconsistency of the definitions and methodological choices between the studies.

Method: The method selected for this paper is a selective review. Due to the breadth of the topic and the vast amount of research conducted in the field, this approach was chosen in order to build a broad picture of the field. The main theoretical approaches applied in the field are introduced, followed by
the presentation of the most popular empirical topics addressed in the studies. In the discussion of these popular topics, the results of the early work on each topic is discussed, but the main focus is on the recent work on each topic. This choice of focusing on more recent studies was made in order to build an understanding of the current state of the research. Due to the broadness of the topic and the great amount of previous studies falling under this topic, the choice of conducting a selective review was natural in order to be able to cover the whole topic in one paper.

Results: The study responds to the lack of a comprehensive review on the broad topic of the effects of organizational aging on organizations. Based on the recognized strengths and weaknesses of previous research, suggestions for the future direction of the research on the field are made. The main conclusions are that the research on the field is inconsistent in the applied definitions and methodological choices between the studies. This hinders the progress of the research in the field as comparison of results is difficult. Also, the theoretical approaches to the topic greatly simplify the complex phenomenon. It is suggested that the future research should focus on unifying the applied definitions and aim to pursue to build a comprehensive theoretical framework that would combine the views of different theoretical approaches and explain the contradictory results of previous empirical research.