

Research statement of Mahendra Joshi

Research question: How do organizational identity characteristics influence top managers' information seeking behaviors during strategic decision making?

Information seeking for strategic issues: Strategic issues can change the position of the firm in the market, can significantly affect the whole firm, and can have an effect on the firm's purposes and goals (Thomas, Clark, and Gioia, 1993). Top managers' information seeking behaviors during strategic decision-making have been found to be related to various outcomes. Higher levels of information use among top managers are related to their interpretation of strategic issues in positive-gain terms. Top managers also interpret a situation as controllable when they use higher levels of information (Denison, Dutton, Kahn, and Hart, 1996; Kuvaas, 2002; Thomas and McDaniel, 1990; Thomas, Clark, and Gioia, 1993). Several researchers (Auster and Choo, 1993; 1994; Hedin, 1993; Ghoshal, 1988) have also found that information seeking is related to strategic planning, decision making, and performance of firms. Overall, empirical evidence suggests that managers who have large amounts of information available, and make use of this information, are better able to cope with ambiguity (Eisenhardt and Bourgeois, 1988), and uncertainty (Milliken, 1990).

Significance of this study: While previous research has extensively examined the consequences of information seeking behavior of top managers, there is less research on whether managers in some firms seek more information compared to others. In other words, how do organizational characteristics influence managerial information seeking behaviors? This is a significant gap in the literature worth pursuing because understanding the organizational antecedents to top managers' information seeking behaviors provide us with tools to predict the variance in information seeking behaviors of managers in different firms. From a practical standpoint, these tools can also be applied to channel managerial information seeking efforts.

In this paper, I examine how organizational identity affects information seeking behaviors of top managers. Organizational identity is conceived in this thesis as "a set of categorical identity claims (who

or what we claim to be, categorically) in reference to a specified set of institutionally standardized social categories” (Whetten and Mackey, 2002: 397). The identity claims (beliefs about who we are) act as strong contextual factors affecting managers’ actions because they guide managerial sensemaking involving strategic issue interpretation (Ocasio, 1997; Weick, 1995).

Thus, there are a-priori reasons to believe that organizational identity can be a powerful context which drives top managers’ information seeking behaviors. The core of this thesis is devoted to examining how variance in organizational identity characteristics influences managerial behaviors.

Tentative Hypotheses

(I am still in the process of developing my specific hypotheses)

Organizations can have multiple identities and each of these identities can affect managers’ schema and actions in organizational matters (Albert and Whetten, 1985; Fiol, 2002; Pratt and Foreman, 2000) to the extent they are salient to managers in organizational matters (Ashforth and Johnson, 2000). I examine how managerial information seeking behaviors differ depending on whether one or more organizational identities are dominant in top managers’ schema during strategic decision-making.

Hypothesis 1: There is a negative relationship between the dominance of one identity and the scope of information seeking by top managers (scope is defined as the number of domains top managers access to seek information regarding strategic issues).

→ Increase in the dominance of one identity reduces ambiguity in organizational matters. Ambiguity exists when a strategic issue may lend itself to multiple interpretations by top managers. For a firm with a single dominant identity, it is likely that the ambiguity surrounding strategic issues is less because managers have a single frame of reference through which they examine strategic issues. As the dominance of one identity decreases (or the salience of multiple identities increases) executives need to manage multiple and many times conflicting expectations of their identities (Pratt and Foreman, 2000; Reger, Gustafson, DeMarie, and Mullane, 1994). In order to meet the multiple demands, executives are likely to access multiple domains of information to incorporate a large number of possibilities while deciding on strategic issues (Arguments from stakeholder theory).

→ Also, when there is no identity that is dominant (i.e. multiple identities play a role), then there is increased ambiguity which requires information from multiple cues in order to be resolved (Weick, 1995). For instance, top managers in multiple identity firms need more debate and clarification when deciding on strategic issues because they need to make it clear to themselves ultimately what specific actions will satisfy the demands of multiple identities. Information from a single source is unlikely to resolve ambiguity in such cases. Moreover, acquiring more information from one source does not necessarily decrease ambiguity; managers need more varied cues in order to reduce the ambiguity (Weick, 1995). Information from multiple sources offers multiple perspectives that guide managers to help address ambiguity in such cases.

→ Finally, multiple identities usually increase the complexity in organizational matters (Pratt and Foreman, 2000). Complexity theory predicts that managers with the more integratively complex perception of the information environment will sample information from a large number of different sources (Ashby's [law of requisite variety], 1958; Choo, 1998).

Hypothesis 2: There is a positive relationship between the dominance of one identity and the depth of information seeking (depth is defined as the average amount of information sought from the information domains).

→ Organizations with few identities tend to hold strong convictions of who they are (Fiol, 2002; Reger et al, 1998). Strong convictions of organizational identity can 1) increase information seeking from a few sources because it helps the organization continuously validate their sense of purpose. For example, Porac et al's study (1989) show that Scottish knitwear firms sourced most of their information from their counterparts in Scotland and dismissed information coming from other manufacturers abroad. 2) It decreases information seeking from other sources because the information may counter the identity claims of the organization.

→ On the other hand, multiple identity firms need to validate the information from multiple sources because information emanating from one source may support one identity while threatening the other. It is likely that these firms acquire information more evenly across their set of domains.

Hypothesis 3&4: With an increase in the relational identity orientation of a firm, its top executives exhibit lower scope and increased depth in their information seeking behaviors. (Relational [e.g. “we are accommodating and loyal to partners”] orientation focuses on the relationships with partners of the firm such as employees and suppliers (Brickson, 2005).

→ Increase in relational orientation indicates a strong sense of identification with the partners of the firm. These ties can develop interdependencies to the extent that managers in such firms are primarily focused on the welfare of their partners at the expense of seeking information from a wide variety of domains for self-interested (firm specific) motives. Also, such identities may lead to long standing ties with their partners that results in the development of information seeking routines based on these ties. Thus, when there is a need to seek information, the routines are accessed first (Nelson and Winter, 1981; Anand et al, 1998) at the expense of other possible ties.

→ With an increase in relational orientation managers are likely to be more mindful of the information about the stakeholders that are important to the relational orientation of the firm. Because they are likely to seek information through the routines developed overtime for these relationships, the depth of information seeking will increase. Also, given the time constraints top managers face, they will not access information from a wide variety of sources.

Hypotheses 5&6: With an increase in individualistic orientation in identity there will be a corresponding increase in the scope of information seeking.

→ When firms are motivated by self-oriented motives in strategic issues, the ambiguity surrounding such matters may increase because of the several ways managers could act in these situations—which increases the scope of information seeking that acts to reduce the ambiguity associated with the issues.

→ Individualistic orientation can decrease the average amount of information sought from each domain because of the time constraint that top managers face in these firms in handling multiple possible courses of action.

I have specified only a few of my hypotheses because I am still in the process of interviewing the Deans of business schools (the setting for my data collection).