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0521818311 - Organizational Learning from Performance Feedback: A Behavioral Perspective on Innovation and Change

Henrich R. Greve

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Organizational Learning from Performance Feedback

A Behavioral Perspective on Innovation and Change

Revisiting Cyert and March's classic 1963 *Behavioral Theory of the Firm*, Henrich Greve offers an intriguing analysis of how firms evolve in response to feedback about their own performance. Based on ideas from organizational theory, social psychology, and economics, he explains how managers set goals, evaluate performance, and determine strategic changes. Drawing on a range of recent studies, including the author's own analysis of the Japanese shipbuilding industry, he reports on how theory fits current evidence on organizational change of risk taking, research and development expenses, innovativeness, investment in assets, and market strategy. The findings suggest that high-performing organizations quickly reduce their rates of change, but low-performing organizations only slowly increase those rates. Analysis of performance feedback is an important new direction for research and this book provides valuable insights in how organizational learning interacts with other influences on organizational behaviour such as competitive rivalry and institutional influences.

HENRICH R. GREVE is Professor of Strategy at the Norwegian School of Management BI, Norway.

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Acknowledgments

As a reader of books I always thought the acknowledgment section was a polite gesture to friends and loved ones. Now I know that in the course of writing a book, one accumulates numerous debts that should be acknowledged here. I have also found that two seemingly symbolic phrases found in acknowledgment sections are completely true: Many have helped me, but the remaining flaws are mine only. I can only mention those who have helped directly by reading and commenting on the manuscript, which means that the intellectual debts to researchers whose ideas I have used are not mentioned here. The reference list gives some indication of how much I have gained from the work of other researchers.

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