



	PREFACE	xi
ONE	AN EXTERNAL PERSPECTIVE ON ORGANIZATIONS	1
	OVERVIEW	2
	The Environment as Treated in the Social Sciences	5
	INTERNAL VERSUS EXTERNAL PERSPECTIVES ON ORGANIZATIONS	6
	<i>The Importance of Individuals in Organizations</i>	9
	BASIC CONCEPTS FOR A CONTEXTUAL PERSPECTIVE	10
	Organizational Effectiveness	11
	Organizational Environment	12
	Constraints	14

THE ROLE OF MANAGEMENT	16
The Symbolic Role of Management	16
The Possibilities of Managerial Action	18
SUMMARY	19

TWO ORGANIZATION AND SOCIAL CONTEXT DEFINED 23

INTEREST GROUPS AND COALITIONS:	
ORGANIZATIONS AS MARKETS FOR INFLUENCE AND CONTROL	24
COMPETING DEMANDS	27
ORGANIZATIONAL BOUNDARIES AND THE PARTIAL INCLUSION OF PARTICIPANTS	29
ORGANIZATIONAL EFFECTIVENESS	33
SUMMARY	36

THREE SOCIAL CONTROL OF ORGANIZATIONS 39

INTERDEPENDENCE	40
THE SOCIAL CONTROL OF ORGANIZATIONAL CHOICE	43
Resource Importance	46
Discretion over Resource Allocation and Use	47
Concentration of Resource Control	50
Dependence	51
Countervailing Power and Asymmetric Dependence	52
EMPIRICAL EXAMINATIONS OF INTERORGANIZATIONAL INFLUENCE	54
Israeli Managers	54
Sales Interdependence and Affirmative Action	56
SUMMARY	59

X FOUR THE ORGANIZATIONAL ENVIRONMENT AND HOW IT IS KNOWN 62

DIMENSIONS OF THE ENVIRONMENT	63
THE INTERCONNECTEDNESS OF ORGANIZATIONS	69
THE ENACTMENT PROCESS—HOW ENVIRONMENTS ARE KNOWN	70
The Enacted Environment	71

DETERMINANTS OF THE ENACTMENT PROCESS	74
PROBLEMS IN ENVIRONMENTAL ENACTMENT	78
Misreading Interdependence	79
Misreading Demands	80
Commitment to the Past	82
Conflicting Demands	82
THE ASSESSMENT OF EXTERNAL DEMANDS	84
Determining Interest Groups	84
Weighting Interest Groups	85
The Criteria of Groups	85
The Impact of Actions on Criteria	86
SUMMARY	88

FIVE

MANAGING ORGANIZATIONAL DEMANDS: ADAPTATION AND AVOIDANCE	92
AN ENVIRONMENT OF CONFLICTING INTERESTS	93
ORGANIZATIONAL COMPLIANCE	94
AVOIDING INFLUENCE AS AN ORGANIZATIONAL RESPONSE	95
MANAGING THE CONDITIONS OF SOCIAL CONTROL	97
Control of Demands	97
Controlling the Definition of Satisfaction	99
Controlling the Formation of Demands	100
Factors Affecting Discretion in Behavior	101
Visibility of Behaviors and Outcomes	104
MANAGING AND AVOIDING DEPENDENCE	106
Organizational Change Strategies	106
Strategies for Avoiding Resource Dependence	108
Strategies for Avoiding Control	109
SUMMARY	110

SIX

ALTERING ORGANIZATIONAL INTERDEPENDENCE: CONTROLLING THE CONTEXT OF CONTROL	113
USING MERGER TO COPE WITH INTERDEPENDENCE	114
PATTERNS OF VERTICAL MERGERS	115
Alternative Explanations for Mergers	117

Results	118
Specific Industry Results	118
MERGERS WITHIN THE SAME INDUSTRY:	
REDUCING COMPETITIVE UNCERTAINTY	123
Competitive Interdependence	124
DIVERSIFICATION: DETERMINING	
INTERORGANIZATIONAL DEPENDENCE	126
Diversification by Israeli Firms	128
United States Government Contractors and	
Diversification	130
ORGANIZATIONAL GROWTH	131
Mergers, Growth, and Profitability	133
Executive Motivation and Organizational Growth	136
Growth and Stability	137
SUMMARY	139
SEVEN THE NEGOTIATED ENVIRONMENT:	
ESTABLISHING COLLECTIVE STRUCTURES	
OF INTERORGANIZATIONAL ACTION	143
NORMATIVE COORDINATION OF	
INTERDEPENDENCE	147
INTERORGANIZATIONAL COOPERATION: THE	
CASE OF JOINT VENTURES	152
A Model of Uncertainty Reduction	154
PATTERNS OF JOINT VENTURE ACTIVITY	157
COOPTATION: THE USE OF INTERLOCKING	
BOARDS OF DIRECTORS	161
Loss of Organizational Autonomy	164
INTERLOCKING DIRECTORATES AND	
COMPETITIVE UNCERTAINTY	165
SIZE AND COMPOSITION OF CORPORATE	
BOARDS OF DIRECTORS	167
Cooptation and Organizational Performance	169
HOSPITAL BOARDS OF DIRECTORS	170
Environmental Linkage and Organizational Effectiveness	173
ORGANIZED COORDINATION OF	
INTERDEPENDENCE: ASSOCIATIONS,	
COALITIONS, AND CARTELS	175
Trade Associations	177
Cartels	179
SUMMARY	182

<i>EIGHT</i>	THE CREATED ENVIRONMENT: CONTROLLING INTERDEPENDENCE THROUGH LAW AND SOCIAL SANCTION	188
	RATIONALIZATION OF POLITICAL CHOICE	191
	ORGANIZATIONAL LEGITIMACY	193
	The Case of the American Institute for Foreign Study	197
	REGULATION: STATE MANAGEMENT OF THE ECONOMIC ENVIRONMENT	202
	Benefits of Regulation	204
	Occupational Licensing	208
	Relationship Between the Regulated and the Regulator	210
	THE ORGANIZATION AS A POLITICAL ACTOR	213
	SUMMARY	222
 <i>NINE</i>	 EXECUTIVE SUCCESSION: A MECHANISM FOR ENVIRONMENTAL EFFECTS	 225
	A MODEL OF ENVIRONMENTAL EFFECTS	228
	ORGANIZATIONAL CONTEXT AND INTRAORGANIZATIONAL POWER	230
	Indeterminacy in the Contingency-Power Relationship	234
	EXECUTIVE SUCCESSION AND ORGANIZATIONAL POWER	236
	Organizational Context and Administrator Tenure	238
	Organizational Context and the Characteristics of Administrators	242
	EXECUTIVE DISCRETION AND ORGANIZATIONAL DECISION MAKING	244
	EXECUTIVE RECRUITMENT AND INTERFIRM COORDINATION	247
	Interfirm Coordination and the Model of Organizational Change	251
	SUMMARY	252
 <i>TEN</i>	 THE DESIGN AND MANAGEMENT OF EXTERNALLY CONTROLLED ORGANIZATIONS	 257
	A RESOURCE DEPENDENCE PERSPECTIVE	258
	THREE MANAGERIAL ROLES	262

The Symbolic Role of Management	263
The Responsive Role of Management	265
The Discretionary Role of Management	266
DESIGNING EXTERNALLY CONTROLLED	
ORGANIZATIONS	268
Scanning the Environment	268
Loosening Dependencies	271
Coping with Conflicting Demands	272
The Chief Executive Position	275
Organizational and Political Structures	277
DESIGNING ORGANIZATIONAL ENVIRONMENTS	278
ORGANIZATIONAL FUTURES	281
INDEX	289