

From Rational to Behavioral:

New Tendencies in Decision Theory and Cognitive Psychology

and their Impact on the Routine Level Analysis of Organizations

Final Dissertation for the Degree of Doctor of Philosophy in Management

ABSTRACT

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The dissertation is conceived as a monographic essay and aims to put together and make sense of differentiated streams of research (decision theory, cognitive psychology, behavioral economics, strategic management) with the purpose of contributing to the development of a theory of organizational action. Routine behaviors are in particular identified as the nexus of individual decision making and organizational outcomes.

The work is structured as a journey through different although interrelated theoretical worlds. Chapter 1 examines the crisis of rational models of reality and the social dimension of knowledge. Chapter 2 focuses on decision theory and presents the main results of the behavioral approach to decision making. A laboratory empirical research is presented as a model for testing learning phenomena in presence of repeated behavior. Chapter 3 discusses the validity of qualitative research methods, with a specific emphasis on narrative approach. Chapter 4 uses the results and insights derived from the previous chapters and builds on the recent literature on organizational routines, studying two routine-level cognitive mechanisms (sense-making and enactment) to build descriptive tools useful in process analysis. An example of empirical case-study is then presented, with the aim of a first validation of the theoretically built concepts.

The research contributions are manifold. First, a substantive review of an almost dispersed literature is done. Second, a theory building effort gives new research tools for a meaningful description of the organizational routines and processes. Third, two empirical approaches are suggested as living examples of research in this field, respectively at the individual and the organization level.