The prevailing assumption in recent literature is that strategic choice and environmental determinism represent mutually exclusive, competing explanations of organizational adaptation. The present paper, in contrast, argues that choice and determinism are independent variables that can be positioned on two separate continua to develop a typology of organizational adaptation. The interactions of these variables result in four main types: (1) natural selection, with minimum choice and adaptation or selection out, (2) differentiation, with high choice and high environmental determinism and adaptation within constraints, (3) strategic choice, with maximum choice and adaptation by design, and (4) undifferentiated choice, with incremental choice and adaptation by chance. These types influence the number and forms of strategic options of organizations, the decisional emphasis on means or ends, political behavior and conflict, and the search activities of the organization in its environment.

One of the most pervasive and central arguments in recent treatments of organizational adaptation concerns whether it is managerially or environmentally derived (Astley and Van de Ven, 1983). At issue is a view of adaptation as a process reflecting choice and selection versus one in which it is a necessary reaction to peremptory environmental forces (Child, 1972; Aldrich, 1979). In analogous terms, the issue is one of the prepotency of voluntarism or external determinism in the strategic change process (Hannan and Freeman, 1977). The present paper argues that classifying change as either organizationally or environmentally determined is misleading and diverts research inquiry away from the critical interactive nature of organization-environment relationships in the adaptation process.

CHOICE VERSUS DETERMINISM

Astley and Van de Ven’s (1983) recent exhaustive review suggests a major difference in current theory between a deterministic and a voluntaristic orientation in theories of organizational adaptation. One of the dimensions in their typology is a continuum ranging from determinism to voluntarism, which is divided to place major schools of organizational analysis into two mutually exclusive categories. While their placement of schools of analysis in one category or the other is intended solely to classify them, it clearly implies the either-or nature of the debate on the prepotency of voluntarism or determinism. Major approaches to the issue of strategic change or adaptation emphasize mutually exclusive and different ends of what is really a single continuum.

A related implication in the existing literature is the assumption that a binary distinction between choice and determinism captures the reality of organizational behavior and change. As popular and intuitively pleasing as these categories may be, a reliance on one or the other directs attention away from the fact that both are essential to an accurate description of organizational adaptation. The important conceptual and practical issues are the interaction or interdependence of events.
with individual interpretations of them, and the resultant decisions or actions. Astley and Van de Ven (1983: 267), for example, concluded that the interesting research questions about complex organizations would (1) admit to both deterministic and voluntaristic views, and (2) juxtapose those views to study their interactions and reciprocal interdependence over time.

The same view is expressed by Weick (1979), who argued that construction of mutually exclusive categories, reliance on unidirectional causation, and focusing on origins and terminations of variables such as "choice" are problematic and distorting for theorist and practitioner alike. What is critical is an ability to "think in circles" (Weick, 1979: 52), to investigate the process of interaction or mutual causation, as a reciprocal relationship between two sets of variables unfolds. The important research issue of voluntarism versus determinism is the relationship between them and how their interactions and resultant tensions culminate in changes over time. The issue is how choice is both a cause and a consequence of environmental influences, as cause and consequence interact and conflict to result in noticeable organizational adaptations.

A similar view is expressed in studies on power (e.g., Dahl, 1963; Jacobs, 1974; Pfeffer and Salancik, 1978; Pfeffer, 1981), in which the underlying dependencies or relative vulnerabilities of organization and environment interact to create tensions and produce both organizational and environmental change. The implicit power model is one of influence and countervailing power, and the relative power of organization and environment, i.e., external stakeholders, over time is the key to explaining the prepotency of choice or determinism in the adaptation process. If high organizational power suggests greater choice, while higher power of stakeholders results in greater environmental determinism, the occasion of a powerful organization confronting equally powerful stakeholders indicates that high choice and high determinism may coexist.

The purpose of this paper is to develop this interactive view of the adaptation process in organizations. Following the advice and lead of Astley and Van de Ven (1983), Weick (1979), and others (Jacobs, 1974), it is argued that: (1) choice and determinism are not at opposite ends of a single continuum of effect but in reality represent two independent variables, and (2) the interaction or interdependence of the two must be studied to explain organizational behavior. The paper develops a typology of strategic decision making that facilitates the study of the interactions between voluntarism and determinism. It also allows for a needed integration of the diverse and disparate literatures in organization theory, management, and economics, which currently focus on the prepotency either of choice or environmental determinism in the adaptation process.

**TYPOLOGY OF ADAPTATION**

The present argument is that organizational choice and environmental determinism can be positioned as independent variables in the adaptation process. Individuals and their institutions can choose in decision-making circumstances; they can construct, eliminate, or redefine the objective features of an

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1 The term "adaptation" in the current literature is employed in a number of ways, ranging simply from "change," including both proactive and reactive behavior (Miles and Snow, 1978), to a more specific denotation of "reaction" to environmental forces or demands (Astley and Van de Ven, 1983). The usage in this paper is more consistent with the former meaning, indicating change that obtains as a result of aligning organizational capabilities with environmental contingencies (Hrebiniak and Joyce, 1984). This view allows for proactive or reactive organizational behavior in anticipation of or reaction to exogenous variables.
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environment, thereby purposively creating their own measures of reality and delimiting their own decisions (Child, 1972; Weick, 1979). On the other hand, discernible features of the actual environment are also important; structural characteristics of industries or domains and various niches clearly exist, some of which are intractable to control by individuals and their organizations. At times the effects of these are peremptory (Hannan and Freeman, 1977; Aldrich, 1979; Porter, 1980); at other times they must at least be considered in the strategic decisions of organizations. Using two separate, independent factors emphasizes that choice and determinism must interact or coalesce to define a causal fabric or context either nurturant of any given organizational variation or hostile to it (Emery and Trist, 1965).

This approach follows logically from the open-systems theory of organizations (Miller, 1965; von Bertalanffy, 1968). An open system tends toward a state of dynamic equilibrium with its environment through the continuous exchange of materials, data, and energy. Both the system and its environment can affect this process of exchange and transformation, suggesting their independence and the importance of their interactive effects. More importantly, open systems are characterized by equifinality, that is, the same outcomes can be achieved in multiple ways, with different resources, diverse transformation processes, and various methods or means. Even if it is assumed that the environment of an open system is highly deterministic, controlling fully and precisely the ends or outcomes that are tolerated, organizational choice is still possible, due to the control over and selection of the means by which the prescribed outcomes may be achieved. Even in the most constraining and debilitating case of environmental determinism, equifinality indicates that organizational choice nonetheless exists as a separate, independent variable important to the development of a dynamic equilibrium with the external environment. Choice, then, can be separated from environmental determinism in a logical way, as a necessary defining characteristic of the organization as an open system.

The purpose of the following discussion is to examine the two variables in interaction. Choice and determinism can be represented on axes ranging from low to high as shown in Figure 1. Each axis denotes variance on levels of assertiveness and potential to influence others (Daft and Weick, 1984). The quadrants help to define the domain and scope of power in the relationship between organization and environment (Dahl, 1963) and the relative vulnerability of each in an interactive setting (Jacobs, 1974; Pfeffer, 1981).

Quadrant I basically shows the conditions or assumptions underlying the population ecology, natural selection approach to adaptation — low strategic choice and high environmental determinism (Hannan and Freeman, 1977; Aldrich, 1979), in which it is argued that organizations enjoy virtually no control over exogenous factors. Adaptation is determined from without, as the environment selects organizations and allows only those forms with appropriate variations to remain. As Figure 1 indicates, proponents of this view argue that, under these conditions, organizations adapt or are selected out.

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Examples of Quadrant I situations include organizations working under conditions labeled as perfectly competitive. Viewed in the long run, individual firms exercise little discretion, because market or competitive forces determine the “fair” return that an organization can achieve. Prices are dictated by a market in which demand is perfectly elastic. Differentiating products to command premium prices and excess profits is difficult, if not impossible. Firms that do not keep abreast of technological and market changes find costs rising above a horizontal demand curve, clearly threatening survival. Quadrant I would include many small organizations, those selling commodity-type products, and simple systems (Herbst, 1957; Aldrich, 1979), as well as large organizations with undifferentiated products or services, confronted with low entry and exit barriers and with no way of achieving a lasting competitive advantage (Bain, 1957; Porter, 1980).

Quadrant I can also include organizations in imperfectly competitive niches. The niche is important because it defines a population of organizations that face similar, if not identical, political and economic constraints. The oligopoly that is tied to a given niche and finds adaptation to other niches impossible because of entry barriers and resource constraints is highly dependent on the distribution of resources and political vagaries within the environment (Jacobs, 1974; Pfeffer and
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Salancik, 1978; Porter, 1980). Strategic choice and deviant organizational behavior are difficult because of this dependency, resulting in high environmental control over the organization.

Managerial action is obviously limited and constrained in organizations falling in Quadrant I, but individuals may still try to exercise options that mitigate against peremptory environmental demands. Purposeful organizational actions, including technological discoveries and other innovations, can substantially alter the ability to compete under Quadrant I conditions and affect competitive advantage. It is also possible that an organization under Quadrant I conditions will exercise strategic choice and attempt to change its domain, task environment, or industry. Such an attempt, of course, depends on these factors and on whether or not there are exit barriers in the organization’s current domain, the height of entry barriers in the new environment, the transferability of resources to new ventures, and the political-economic context within which such a strategic choice is made (Dahl, 1963; Thompson, 1967; Porter, 1980; Pfeffer, 1981).

At the opposite extreme in Figure 1 are organizations existing under the more munificent and benign conditions of Quadrant III, marked by high organizational choice and low environmental determinism. Strategic choice determines organizational domain or task environment, so that autonomy and control are the rule rather than the exception. In Quadrant III, resource dependencies are not very problematic (Lawrence, 1981), and, when power is viewed as the opposite of dependency, organizations enjoy an influence over others in their task environment (Emerson, 1962; Pfeffer, 1981). The organizations in Quadrant III confront a pluralistic environment in which movement within and between niches or market segments is not severely constrained by exit or entrance barriers. Because of the lack of problematic dependencies on scarce resources and few political constraints, the organization can purposely enact, define, and otherwise affect its domain and the exogenous conditions under which it desires to compete (Levine and White, 1981; Rumelt, 1979; Weick, 1979; Snow and Hrebiniak, 1980). Under conditions in Quadrant III, adaptation is by design. Organizational innovations and proactive behavior are easier, due to the benign environment (Lawrence, 1981), and “prospects” (Miles and Snow, 1978) are more likely to emerge, due to the conditions favoring determinism and choice.

Most of the literature on adaptation has focused on Quadrants I (Natural Selection) and III (Strategic Choice). Yet there are two additional but relatively neglected sets of conditions that can expand our understanding of decision making and the organizational adaptation process.

In Quadrant II, both strategic choice and environmental determinism are high, defining a turbulent context for adaptation (Emery and Trist, 1965). Under these conditions, there are certain clear exogenous factors that affect decision making, but the organization nonetheless enjoys choice despite the peremptory nature of external forces and constraints. Typical cases here would include organizations in an environmental niche in which certain rules, constraints, or immutable environ-
mental conditions severely constrain certain outcomes or behaviors but allow leeway and choice in others; and organizations included in multiple niches or domains, each with its own constraints, opportunities, and population of competing organizations.

Perhaps the clearest examples of organizations in Quadrant II are large firms in highly regulated industries, which are typically closely regulated in such diverse areas as product characteristics, representations of performance, capital requirements, and legal constraints on the means of conducting business. Yet individual choice of strategy is paradoxically high, due to factors such as size, market structure (e.g., high concentration), multiple means or methods of achieving desired outcomes, and low resource dependency on external sources. Such organizations are able to follow differentiation or focus strategies (Porter, 1980), choose market niches or segments within the constraints laid down by the environment, or pursue effective generic strategies, despite external forces (Berle and Means, 1932; Miles and Snow, 1978; Porter, 1980; Snow and Hrebiniak, 1980). For example, Miles and Cameron (1982) discussed how large companies in one industry, despite government regulation, controls, and mandatory warnings to consumers about the detrimental effects of their products, positioned themselves so as to follow differentiation and focus strategies and affect their markets through extensive advertising, marketing, and lobbying.

Quadrant II also includes organizations included in multiple niches, with each characterized by a different set of constraints, opportunities, and competing organizations. A multiproduct or multidivisional organization with products or businesses having little market and technological relatedness within or across industries (Rumelt, 1974; Hrebiniak and Joyce, 1984), as well as varying levels or types of concentration, competition, demand characteristics, and price elasticities, would very likely confront the conditions of Quadrant II. Despite the clear impact and peremptory nature of environmental factors in some niches, the organization still enjoys autonomy and a favorable position in others. Similarly, a multiunit organization in different environmental niches or markets, but with fairly high interdependence across the units due to common technologies or vertical integration requirements, would reflect this condition of varying constraints, opportunities, and competition. The coordinated, centralized strategies and simultaneous decentralization of business units in heterogeneous settings that characterize global competition (Porter, 1980) are indicative of this type of strategic setting.

The last examples emphasize an important point about problems of level of analysis, even in the analysis of intraorganizational decisions. A quasi-autonomous unit in a larger organization can confront a totally different set of exogenous market factors than another unit in the same organization, although the larger organization is certainly an “exogenous” factor in the environmental surveillance and strategic decisions of the two units. This dependence of the subsystem on the supersystem of which it is an integral if semiautonomous part highlights two levels of analysis: one indicates that the supersystem can set some limits on the behavior of the subsystem; the other emphasizes the freedom of choice and varying exogenous

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conditions of subsystems vis-à-vis each other and the larger system (Katz and Kahn, 1966; Williamson, 1975; Hofer and Schendel, 1978). The parts or subsystems of the whole organization may be placed in different quadrants in Figure 1, with the net effect that strategic choice and environmental factors determine the placement of the whole organization or system of which the subsystem is part. Both whole organizations and independent subunits may be used in the analysis; at both levels, choice and determinism are central to the definition of strategic context and the factors related to adaptation.

The essential point is that external constraints and high environmental determinism need not necessarily prevent individual choice and impact on strategic adaptation. Although adaptation and choice occur within constraints (Figure 1), organizations in Quadrant II nonetheless can develop various strategic options.

Quadrant IV in Figure 1 is a relatively “placid” situation (Emery and Trist, 1965) characterized by low strategic choice and low environmental determinism; organizations included here tend to lack strategic choice, despite a paucity of external constraints. Change can be labeled adaptation by chance, since organizations apparently exhibit no coherent strategy to take advantage of fortuitous environmental conditions.

Because Quadrant IV organizations and elements of their task environment both appear reluctant, unwilling, or unable to create dependencies and exercise influence, a research focus on organizations in this context clearly can result in such recently discussed phenomena as “muddling through” and “garbage can” descriptions of organizational behavior (Lindblom, 1965; March and Olsen, 1976; Weick, 1979). When organizations have no apparent strategic thrust, it is possible to dismiss rationality as a guiding principle of organizational behavior and to replace it with arationality and even capriciousness to explain action over time. But a more likely and logical explanation of Quadrant IV organizations may simply be that they have an array of internal strengths and competences that are inappropriate to external opportunities and conditions. If the process of strategy formulation is based in part on the alignment of internal capabilities with exogenous contingencies (Chandler, 1962; Rumelt, 1974; March, 1981; Hrebiniak and Joyce, 1984), it is reasonable to argue that an inappropriate mix or insufficient number of internal capabilities will prevent organizations from acting, despite the benignity, munificence, or lack of threat of the environment. In this view, the task of the organization is to develop the capabilities or distinctive competences needed to take advantage of environmental conditions and thereby alter and escape from the conditions of Quadrant IV (Quinn, 1980). Because the prevailing conditions of Quadrant IV ultimately can result in the creation of dependencies or alterations favoring the relative influence of either organization or environment, adaptation by chance is still an apt description of what appears to be a relatively unstable context for decision making, action, and the exercise of power.

Two studies (Miles and Snow, 1978; Snow and Hrebiniak, 1980) provide some insight into Quadrant IV. Both studies discuss the existence of “reactors,” firms developing few innovations or engaging in little or no proactive behavior and in
which internal capabilities or distinctive competences are not
developed to take advantage of a benign environment. But
organizations facing few environmental constraints or peremp-
tory external contingencies must act to develop and benefit
from a competitive advantage or distinctive competence, for a
lack of purposive action leads to poorer performance relative to
others exhibiting more aggressive behavior (Porter, 1980;
Snow and Hrebiniak, 1980). Such inaction also heightens the
possibility that competitors and other task environment ele-
ments will create a sufficient number of new problematic
dependencies to move the organization to Quadrant I in Figure
1 (Porter, 1980). In essence, Quadrant IV is unstable, forcing
the organization to seek movement to another domain.

The present analysis suggests that the adaptation process is
dynamic; over time, an organization’s position may shift as a
result of strategic choices or changes in the external environ-
ment. To use Weber’s (1947, 1967) term, a “struggle” be-
tween organization and environment unfolds as different
actors emerge, control over scarce resources fluctuates, and
power bases shift in time. His discussion also suggests that
the outcome of this struggle depends in part on the effective-
ness of organizational decision making. The present analysis
indicates that: (1) control over scarce resources is central to
the relationship between choice and determinism, and (2) strat-
geic choice is possible in all quadrants of Figure 1, although the qualitative nature and impact of the decision
process certainly varies with the organization-environment
context.

The underlying implications of the typology about power and
its effects on the types of decisions or choices are shown in
Figure 1. In Quadrant I of Figure 1, choices are possible but
limited because of the organization’s lack of resources and
power vis-à-vis the environment; in Quadrant II, choice is high
but selective or “differentiated” because of the high counter-
vailing power and resources of the environment; in Quadrant
III, the organization’s resource dependencies are the lowest
and the number of strategic options the highest; under condi-
tions of Quadrant IV, organizational choices are incremental,
due to a lack of the resources necessary to allow taking full
advantage of a benign environment.

RESEARCH IMPLICATIONS OF TYPOLOGY

Table 1 presents some of the research implications of the
typology and suggests the issues or problems associated with
organizational adaptation as control over scarce resources and
power bases fluctuates between organizational and environ-
mental dominance.

Types of organizational choice. As suggested above, types
of organizational choice vary across the different quadrants of
the typology. Minimum choice is found in Quadrant I. While
severely constrained, organizations in this Quadrant are not
“inactive” in a “natural evolution” over time (Astley and Van de
Ven, 1983: 247), nor are they completely at the mercy of
external influences, as natural selection approaches would
suggest (Hannan and Freeman, 1977; Aldrich, 1979). Max-
imum choice is found in Quadrant III, consistent with the
strategic choice literature (Levine and White, 1961; Child,

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Table 1

<table>
<thead>
<tr>
<th>Variable</th>
<th>Quadrant I</th>
<th>Quadrant II</th>
<th>Quadrant III</th>
<th>Quadrant IV</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>High deter</td>
<td>High deter</td>
<td>Low deter</td>
<td>Low deter</td>
</tr>
<tr>
<td></td>
<td>minism</td>
<td>minism</td>
<td>minism</td>
<td>minism</td>
</tr>
<tr>
<td>Choice</td>
<td>Minimum</td>
<td>Differenti</td>
<td>Maximum</td>
<td>Incremental</td>
</tr>
<tr>
<td>Number of strategic choices</td>
<td>Few</td>
<td>Medium-high</td>
<td>High</td>
<td>Few</td>
</tr>
<tr>
<td>Decision emphasis</td>
<td>Means</td>
<td>Primary—means</td>
<td>Secondary—means</td>
<td>Means-ends</td>
</tr>
<tr>
<td>Generic strategies</td>
<td>Defender, cost leader</td>
<td>Differentiation Focus— analyzer</td>
<td>Differentiation Focus— prospector</td>
<td>Reactor</td>
</tr>
<tr>
<td>Autonomy, innovation</td>
<td>Low (external constraints)</td>
<td>Medium</td>
<td>High</td>
<td>Low (internal constraints)</td>
</tr>
<tr>
<td>Political behavior, conflict</td>
<td>Low—medium (interorganizational)</td>
<td>High</td>
<td>High (interorganizational)</td>
<td>Low</td>
</tr>
<tr>
<td>Search</td>
<td>Solution— driven; some slack search</td>
<td>Solution— driven; some slack search</td>
<td>Slack search</td>
<td>Problematic</td>
</tr>
</tbody>
</table>

1972; Weick, 1979). The introduction of differentiated (Quadrant II) and incremental (Quadrant IV) choice, however, presents additional implications for research, as shown in Table 1.

Number and type of strategic options. From the arguments about choice, it follows that the number and type of strategic options would vary across the typology. There are few viable strategic options in Quadrants I and IV, but for different reasons: external constraints delimit choice in Quadrant I, whereas internal factors inhibit decision making in Quadrant IV. The number of options is highest in Quadrant III and, one could argue, fairly high in Quadrant II, where choice coexists with externally generated constraints. But the types of choice — what organizations can control and affect — varies significantly between Quadrants II and III, despite the high number of strategic options available in each case. These significant differences, as well as others in Table 1, can be highlighted and underscored by focusing on two critical components of decision making, i.e., means and ends (Simon, 1976; Thompson, 1967) and on the notion of equifinality in open systems (Miller, 1965; von Bertalanffy, 1968).

Emphasis on means and ends. Table 1 suggests that the constrained choice of Quadrant I really reflects control over means. The “simple system” (Herbst, 1957) or firm in a highly competitive, atomistic industry confronts many givens, most notably, constraints on or lack of control over markets, prices, demand, and even profitability (the “fair return”) (Bain, 1957; Stonier and Hague, 1961). Whatever choice exists focuses primarily on means, different techniques to transform inputs or produce outputs in more efficient ways so as to achieve some excess profit or even a short-lived competitive advantage (Bain, 1957). Industry structure allows for some control over intraorganizational process but not over extraorganizational market outcomes.

In Quadrant II, environmental control is high, for example, over what ends (products, services, industry penetration) organiza-
tions can pursue in regulated industries, but the organization nonetheless enjoys high choice over means or methods of competition. Equifinality suggests that regulated or controlled ends can be attained in different ways, most notably, with different inputs, strategies, or activities and with various initial states or conditions (Miller, 1965; von Bertalanffy, 1968; Miles and Snow, 1978; Snow and Hrebiniak, 1980); differentiated choice and multiple strategies are possible. In Quadrant III, in contrast, the primary strategic emphasis is on ends rather than means. In such a benign environment, organizations are free to develop new products, services, customers, and markets and to diversify into areas of endeavor that are related or unrelated to existing areas of emphasis. There is a concern with means or efficiency, of course, but the overriding emphasis in organizations in Quadrant III is likely to be more on considerations of “effectiveness”; to borrow from Barnard (1938), Quadrant III organizations are freer to focus on the right things rather than having to do prespecified things right. The primary organizational task in Quadrant II is to maneuver around externally imposed prescriptions and proscriptions; in Quadrant III, the focus is more on goals and exercising discretion to optimize valued organizational outcomes.

**Generic strategies.** The research done on generic strategies (Miles and Snow, 1978; Porter, 1980; Snow and Hrebiniak, 1980) suggests a relationship between predominant strategy and quadrant location. Cost leaders or defenders are likely to predominate in Quadrant I. Differentiation and focus strategies are most likely in Quadrants II and III, but the incidence of analyzers and prospectors would vary between those two quadrants. Analyzers are more cautious, often relying on careful analysis of environmental trends and a consequent delay in committing themselves to a new environmental niche, behavior consistent with Quadrant II conditions; the risk-taking, creativity, and innovation of the prospector are clearly most consistent with the munificent conditions of Quadrant III. The unstable reactor, characterized by no clear agreement on outcomes, uncrystallized or problematic relations between means and ends (Thompson, 1967), and a lack of focused strategy or clear membership in a strategic group (Porter, 1980), would appear to be most likely to flourish under the conditions of Quadrant IV.

**Political behavior and conflicts.** Table 1 suggests different implications for research on political behavior and conflicts. The work of March and Simon (1958), Lawrence and Lorsch (1967), Sherif et al. (1961), and others suggests that severity and type of conflict vary with similarity of goals, perceptions of superordinate outcomes, and the existence of common focus for enmity and competitive vigor. This would suggest low conflict in Quadrant IV, characterized by few clear intraorganizational differences, and some externally directed conflict in Quadrant I. One could hypothesize high conflict for both Quadrant II and III organizations, but for different reasons. Conflict in Quadrant II would be in large part externally directed because of the exogenous factors and stakeholders whose power or control is a problem for the organization. Intraorganizational conflict would be low because of the superordinate nature of the externally generated exigencies or dependencies (Dahl, 1963; Jacobs, 1974). In contrast, intraorganizational conflict is
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likely to be higher in Quadrant III, where few external constraints exist and internal competition for resources and influence is the more probable contributor to conflict.

Search processes. In the present typology, search processes are not consistent with the popular binary distinction between strategic choice and environmental determinism in the literature, which basically suggests high effective search versus low, ineffective search at the two extremes of a single continuum. The present analysis suggests that both the amount and qualitative nature of search vary across the typology (March, 1981; Hrebiniak and Joyce, 1984). In Quadrant I, search is probably not low or impotent, as the population ecologists or environmental determinists argue. Rather, search is more likely to be high but “solution driven,” directed toward the solution of specific problems, e.g., lowering cost curves and increasing efficiency to compete or survive under perfectly competitive conditions (March, 1981). Facing a host of problematic dependencies, the organization actively seeks ways to lessen the control or influence of environmental forces.

In Quadrant III, by contrast, search is also high but is qualitatively different than in Quadrant I: externally generated constraints and dependencies are fewer, if they exist, and the time in which to make strategic decisions is longer and less problematic. The adaptation and implementation horizons are longer (March, 1981; Hrebiniak and Joyce, 1984), allowing for a more relaxed approach to search activities, what March (1981) calls “slack search.” Search is not driven by the quest for immediate solutions that marks the search activity in Quadrant I. Slack search is less tied to specific organizational needs or pressures and is even apt occasionally to resemble a process of “dabbling” or nondirected activity.

In Quadrant II, search would be both solution-driven and slack search. The problematic nature of the environment demands that solution-driven search be high, as the organization attempts to gain control over key environmental stakeholders and contingencies or reduce their impact. But organizational choice is simultaneously high, with control over some ends but primarily over means or internal processes. Some dabbling is possible, therefore, as the organization engages in slack search and experimentation in areas in which it enjoys control and influence. In Quadrant IV, search is problematic, because of the organization’s inability to take advantage of a benign, placid environment.

Other variables undoubtedly can be identified and variations in them predicted as a function of organizational location in Figure 1. The purpose of this paper, however, is not to provide an exhaustive coverage of such variables but to stress the usefulness of the typology developed in explaining the relation between choice and determinism.

DISCUSSION

The most obvious conclusion of this study is that the interdependence and interactions between strategic choice and environmental determinism define adaptation: each is insufficient and both are necessary to a satisfactory explication of organizational adaptation.

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A second and related conclusion is that adaptation is a dynamic process that is the result of the relative strength and type of power or dependency between organization and environment. The forces of Figure 1 are not static; actions by organizations and environmental elements that underlie the different strategic contexts are potentially important for the creation or alteration of dependencies or relative vulnerabilities that will affect future actions and decisions (Jacobs, 1974; Lawrence, 1981). Changes result from the interaction between choice and determinism (Weber, 1947, 1967), the interplay of various political and economic forces (Dahl, 1963), and the interplay between means and ends over time (Thompson, 1967; March, 1981). Both strategic choice and environmental determinism provide thrusts for change; each is both a cause and a consequence of the other in the adaptation process. To understand this dynamic change phenomenon, it is necessary to “think in circles” (Weick, 1979), to investigate the reciprocity of relationships between organization and environment, and to study the mutual causation that obtains.

Viewing adaptation as a dynamic process reveals that for any given organization, elements or variables related to strategic choice and environmental determinism exist simultaneously. In Quadrant I of Figure 1, the environment is prepotent, but strategic decisions are directed toward the alteration of dependencies and the movement of the organization, at minimum, toward Quadrant II. In Quadrant II, both the organization and environmental elements have power; analysis of internal and exogenous forces reveals that each side is vulnerable in some areas but simultaneously is able to create dependencies in others. Any given organization in Quadrant II could be expected to attempt to reduce its vulnerabilities through (1) competitive actions to differentiate further its products or services, build entry barriers or reduce exit barriers, or reduce problematic dependencies on suppliers or customers (Porter, 1980); or (2) political actions such as collusion, cooperation, or co-optation to absorb or diffuse important environmental elements (Dahl, 1963; Thompson, 1967). Environmental elements — competitors, regulators, consumers — in turn, exercise their influence in similar attempts to retain or increase competitive or political advantage. The net result of these interactions is that organizations may remain in Quadrant II, gain additional influence over their environment and move to Quadrant III, or lose power and move toward the relatively disadvantageous conditions of Quadrant I. Whatever the actual evolution, the essential point is that adaptation is a dynamic process that is both organizationally and environmentally inspired.

A final important implication of the present analysis is that simple models relying on the conceptual construction of mutually exclusive, competing explanations of cause and effect may not be sufficient to capture the complexity and richness of organizational behavior. The discussion of the research implications (Table 1) of the present typology suggests the complexity and interdependence of important variables and decision processes as a function of both choice and determinism. Contrary to the need to recognize this complexity and interdependence, the important literature on organizations is divided among various fields. Research on organiza-

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tional adaptation is the subject of inquiry in organizational behavior, management, and economics, which emphasize different and often competing assumptions, foci, and explanations of cause and effect. What is needed is a greater emphasis on integration rather than differentiation of views. Research needs to be more concerned with reducing conceptual or theoretical barriers between disciplines and literatures and the consequent emphasis on eclectic approaches to explain organizational behavior.

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