

Organizational Memory and Persistence: How Can Routines and Rules Persist Despite Perennial Gales of Problems and Solutions?

Martin Schulz

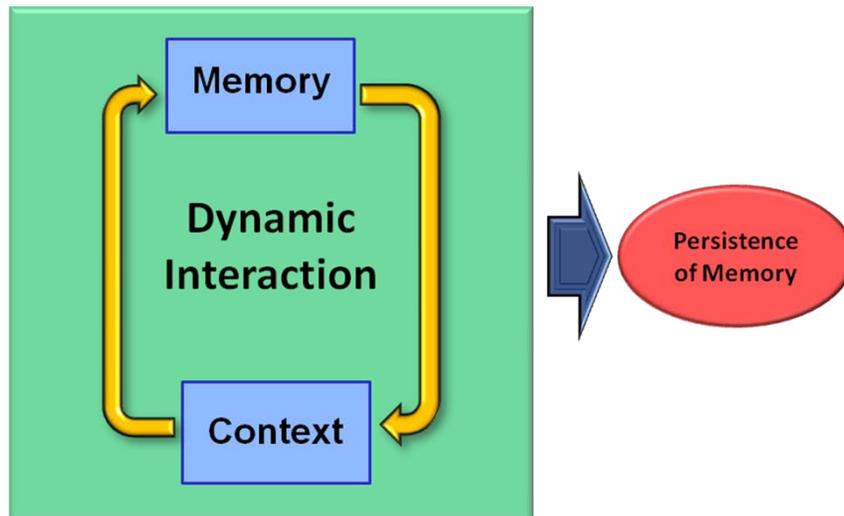
Sauder School of Business, UBC, 2010

Persistence is a necessary ingredient of the concept of memory. Organizations encode experiences in written rules and stable routines that form relatively persistent kernels of order and competence in organizations. However, memory is not static – rules and routines adapt to new experiences and shifting conditions. From a limited rationality perspective, the dynamic is almost unavoidable; lessons drawn and stored in rules and routines reflect limited rationality of participants. Myopic learning processes create imperfect rules and ad-hoc routines that often encounter unanticipated outcomes when exposed to new or different situations. Over time, problems become apparent and alternative solutions become available, and this can erode rules and routines and produce momentum to adjust them.

Given this dynamic, one wonders what stabilizes rules and routines. Why aren't rules and routines washed away by perennial gales of problems and shifting conditions? Given the diverse streams of situations rules are applied to, their stability is surprising. Considering the intensely dynamic worlds routines intersect with, how can actors (individual and organizational) nevertheless stabilize (establish and maintain) or even recognize invariant patterns that they typify as routines?

Persistence of rules and routines is a unifying focus for understanding the emergence of social order, the development of capabilities in organizations, and the emergence of knowledge structures in society. Rules and routines are pervasive – they shape action *and* its context. They structure most spheres of human experience. At the same time, rules and routines adapt; they adapt to new conditions arising in their context and incorporate solutions that reduce some problems and often create new ones. In spite of this dynamic, memory can coagulate into persistent formations that last for extended time periods, such as regimes, platforms, habits, stories, guidelines, or standard operating procedures.

When does memory coagulate into persistent formations? In this research program, we focus our analytical lens on the dynamic interaction between rules and routines and their immediate context. We see rules and routines as forms of memory that arise and operate within a context that both shapes and is shaped by rules and routines. Within this scenario, rules and routines can grow persistent through mechanisms that impede or decelerate their adaptation.



The Dynamic Interaction between Memory and Context

We focus on the immediate context of rules and routines as we are more interested in persistence that arises from ‘within’, that is, from features of rules and routines and from the way they interact with their context. In this view, persistence is a dynamic quality of rules and routines (and social structures in general) that allows them to withstand external (and entropic) pressures for change.

This research program explores mechanisms that make rules and routines persistent. We aim to identify and explore persistence mechanisms and thereby to deepen our understanding of persistence of memory. We examine (empirically, theoretically, and through simulation) the interaction between rules/routines and their context and explore how this interaction can impede or decelerate the adaptation of rules/routines.