

# **ROUTINES, COMMUNITIES AND ORGANIZATIONAL CAPABILITIES**

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In chapter 5 "Organizational Capabilities and Behavior" of Nelson and Winter (1982), the authors present and develop "an alternative to orthodoxy's view of organizational behavior". The core of the alternative view is constituted by the concept of "routines". They are defined by a set of properties: routines as organizational memory; routines as truce and routines as target for control, replication and imitation.

Our purpose is to analyse the process of emergence of routines in organization, its location in the organization and the consequences for our understanding of the firm structures.

We fully acknowledge that routines results from a permanent interaction between the individual and organizational levels. But we consider that these interactions are shaped and determined at an intermediate level, the level of communities. We will emphasis the role of two types of communities: first functional communities, organized hierarchically, homogeneous and sharing a disciplinary specialization (such as finance, mechanical engineers...) and second, epistemic communities and communities of practice, horizontally defined either by the production of new knowledge or by a common interest for a given practice.

Routines, defined as "an executable capability for repeated performance in some context that been learned by an organization in response to selection pressures" (Cohen and ali, 1996, p. 683) emerge by three interdependent mechanisms:

1. a spontaneous auto-organizational process oriented by the market selection;
2. a cumulative process of practices and discoveries;
3. a focalization process organized by the hierarchical structure.

Focusing on the cases 2 and 3, the paper will develop the following arguments. The cumulative process is supported by communities of practices and epistemic communities. We will differentiate them according to the way they solve incitive problems and intra-organizational conflicts. In addition, functional communities, and their hierarchical structure, will focus the managerial attention towards specific capabilities and define the "core competences" of the organization. This argumentation will lead us to an additional justification of a dual theory of the firm (Cohendet, Llerena, Marengo, 1998 and 2000, Cohendet, Llerena 1999).

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