

James March and Organization Theory

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2025-03-25

James March (1928–2018)

- Professor at Stanford University
- Founding father of organization theory

Organization Theory

- Taylor and Gilbreth: scientific management
- Administrative management school: effective organization
- Challenge: untested motivational assumptions, intraorganizational conflict, cognition

March and Simon Organization Theory

The organization is a system of interrelated social behavior of participants.

- Memory: values, perceptions, beliefs, experiences, programs, alternatives, and knowledge in the psychological bank.
- Individuals act on memory.
- Stimuli are perceived by the individual.
- Behavior results from a stimulus.

Organization equilibrium

1. The organization is a system of interrelated social behavior of participants.
2. Each participant and group receives inducements from the organization for their contribution.
3. The individual continues to participate so long as the inducements he or she receives are greater than his or her contribution. This evaluation is measured by the individual in terms of his or her own values, which may reflect or include those other than economic.
4. The contributions of various groups are sources from which the organization creates inducements to pay the others.
5. Equilibrium (or solvency) occurs when the organization can continue to provide inducement to members to obtain their contributions.

Thoughts for evaluation

- Understanding the logic of organization
- Overcome resistance and improve organization capacity

References

- Cyert, Richard Michael, and James G. March. 2013. *A Behavioral Theory of the Firm*. Mansfield Centre, Conn: Martino Fine Books.
- March, James G., and Herbert A. Simon. 1993. *Organizations*. 2nd edition. Cambridge, Mass.: Wiley-Blackwell.