

Microfoundations of Knowledge Creation: SHRM as Mechanism Design

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OUTLINE

- * Dana's questions ---
the why, what, and
future of
microfoundations
- * microfoundations (2)
of strategic
organization
- * the future: micro-
analytics &
mechanism design



Dana's questions

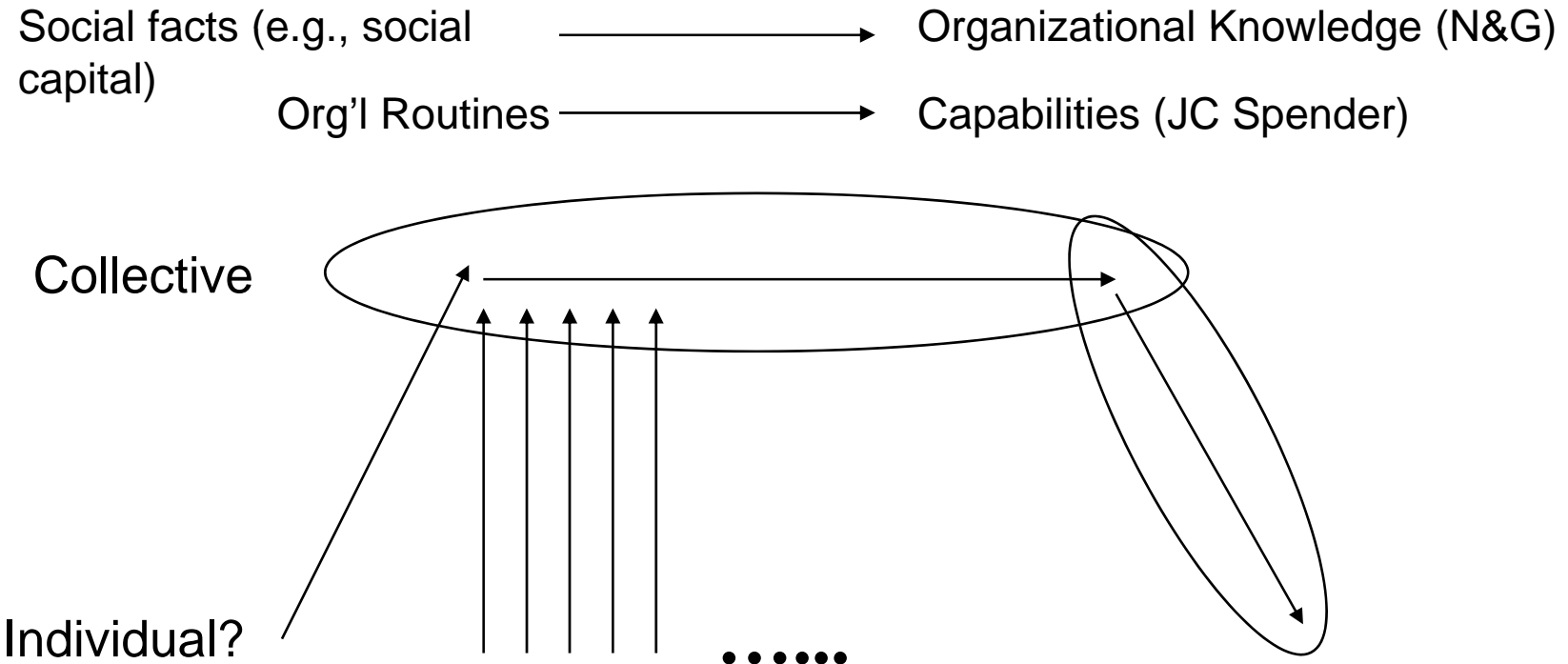
why microfoundations?

what microfoundations gap do you study?

what are key future issues?

why microfoundations?

microfoundation #1: inverted tub



What are the underlying characteristics of the people founding, attracted to, self-selected into, and remaining in the firm?

- *Who --- with what characteristics, skills and abilities --- is the firm composed of?*

- *Who exits? Who joins an organization?*

microfoundation #1

- big things are made up [composed] of littler things
 - words – sentence
 - elementary particles – atoms
 - notes – music
 - and, people – organizations

[aggregation]

but...

(the other) --- microfoundation #2

- understanding the little things, that make big things, may not be enough (heresy!)
 - though, critical initial condition
- little things *interact* to create big things
 - interaction provides an interesting case for “emergence”
 - the forms of social interaction are critical
 - little things can interact in different ways
- micro-mechanics of interaction – building from microfoundation #1

[emergence]

microfoundation #2: from organizational to mechanism design

- moving from microfoundation #1 to #2 suggests a shift from the descriptive to the normative/prescriptive
- why not organizational design?
 - more micro-analytic tradition needed (cf. Arrow, Hurwicz, Maskin)
 - moving down a level of analysis – specify elements and their *interactions* and anticipated results
- linking micro-interactions with org'l goals
 - levels-related shift and problem of planning
 - note: assumptions of mechanism design!
- micro-analytical tradition and the optimization of possibility space via mechanism design

microfoundation #2:
what does it privilege?

- inputs *and* process
- specifying sources of variability at all levels
- micro-mechanics, building from individual interaction (cf. Homans)

mechanism/interaction design: some (analytical and practical) examples

[e.g., knowledge creation, contracting,
forms of social interaction]

SHRM as mechanism design: the future

[key practices]

forms

mechanisms

HR practices

a plug
Organization Science

special issue on "organizational
economics and organizational
capabilities"

key human capital-related issues
implicated!

questions?

knowledge as...

- context
- configuration
- action
- problem-solving
- experience
- routines
- skills
- doing
- know-how in action
- information
- concept sets
- structure
- etc.

k.i.s.s. principle

- beliefs or skills

knowledge

- sharing
- transfer
- creation
- decay
- diffusion
- production
- communication
- building
- exchange
- acquisition
- governance
- structure
- management
- destruction
- and more...

back-up slides

Figure 1: A General Model of Social Science Explanation

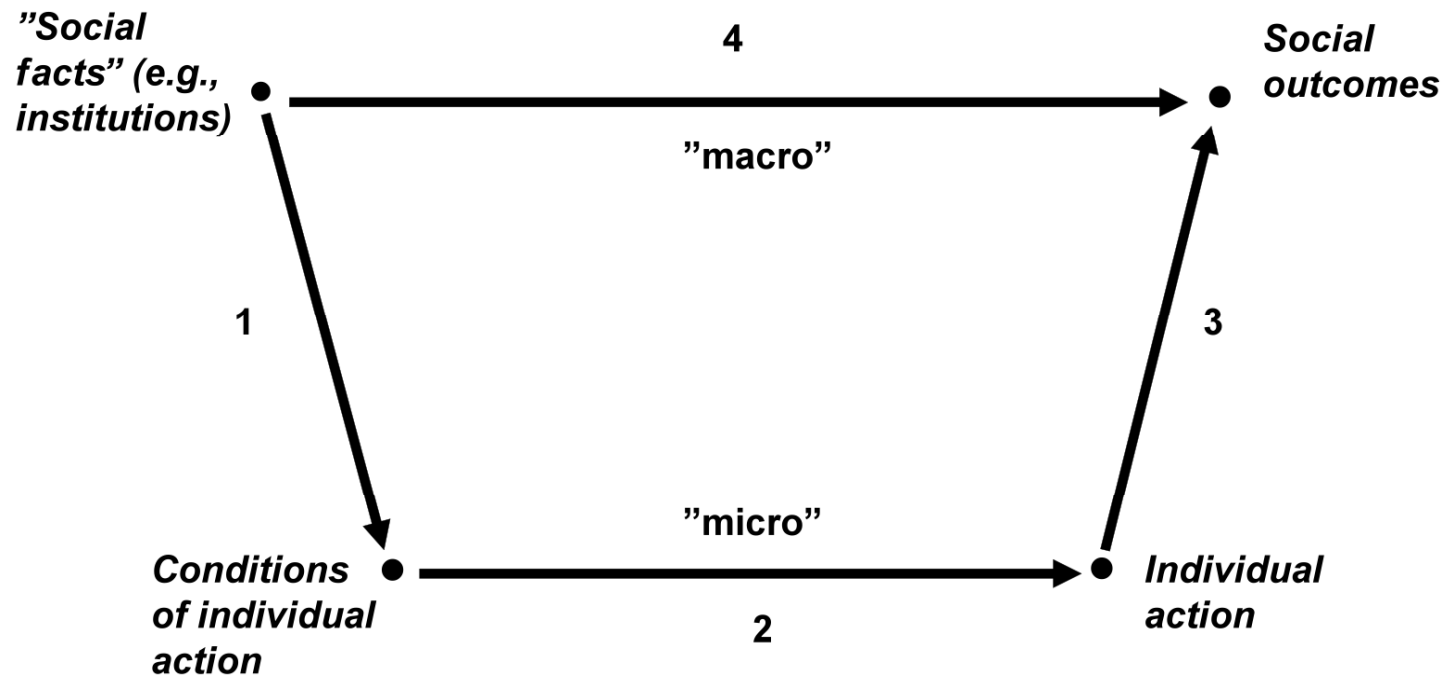
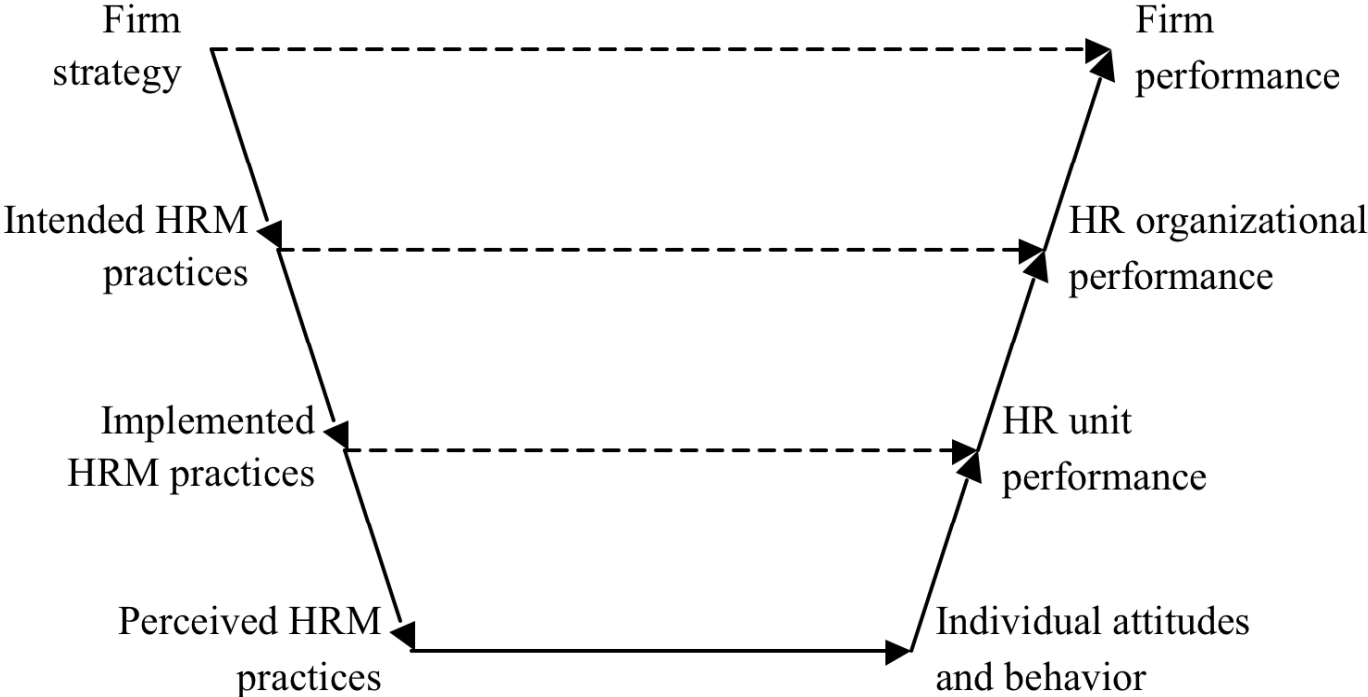
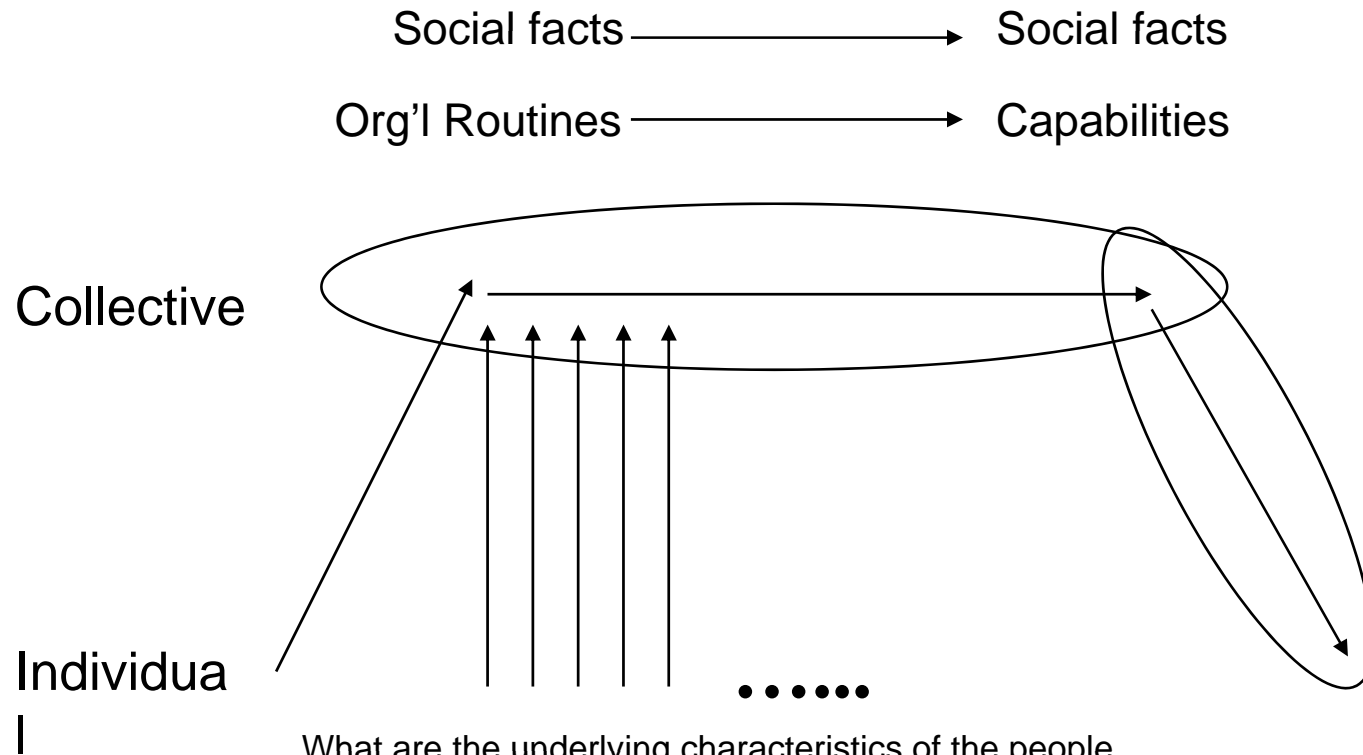


Figure 2. Bridging Micro and Macro in SHRM research



microfoundation #1: inverted tub



What are the underlying characteristics of the people founding, attracted to, self-selected into, and remaining in the firm?

- *Who* is the firm composed of?
- *Who* exits? *Who* joins the firm?
- *Who* runs the firm?