BLOWN AWAY: A STUDY OF THE MICROFOUNDATIONS OF ORGANIZATION EMERGENCE IN RESPONSE TO DISCONTINUOUS CHANGE (INTERACTIVE PAPER)

Lou Marino  
_The University of Alabama_, lmarino@cba.ua.edu

Jeff Martin  
_University of Alabama_

Craig Armstrong  
_University of Alabama_

Lee Tolbert  
_University of Alabama_

Patrick Kreiser  
_Ohio University_

Recommended Citation  
Marino, Lou; Martin, Jeff; Armstrong, Craig; Tolbert, Lee; and Kreiser, Patrick (2012) "BLOWN AWAY: A STUDY OF THE MICROFOUNDATIONS OF ORGANIZATION EMERGENCE IN RESPONSE TO DISCONTINUOUS CHANGE (INTERACTIVE PAPER)," _Frontiers of Entrepreneurship Research: Vol. 32: Iss. 9, Article 5_.  
Available at: http://digitalknowledge.babson.edu/fer/vol32/iss9/5

This Interactive Paper is brought to you for free and open access by the Entrepreneurship at Babson at Digital Knowledge at Babson. It has been accepted for inclusion in Frontiers of Entrepreneurship Research by an authorized administrator of Digital Knowledge at Babson. For more information, please contact digitalknowledge@babson.edu.
BLOWN AWAY: A STUDY OF THE MICROFOUNDATIONS OF ORGANIZATION EMERGENCE IN RESPONSE TO DISCONTINUOUS CHANGE

Lou Marino, University of Alabama, USA
Jeff Martin, University of Alabama, USA
Craig Armstrong, University of Alabama, USA
Lee Tolbert, University of Alabama, USA
Patrick Kreiser, Ohio University, USA

Principal Topic

A F5 tornado devastated Tuscaloosa, Alabama on April 27, 2011. The result was catastrophic damage including devastation of the city’s emergency response capabilities and major private relief agencies. The tornado represented a discontinuous change whereby the environment rapidly shifted from equilibrium to a complex and chaotic environment characteristic of Knightian uncertainty. As such it provides a unique opportunity to study the antecedents, processes and consequences of organizational emergence for three reasons. First, it provides a natural experiment in which the emergence of organizations can be observed at the individual and firm levels as opposed to the population level. Second, the response efforts in Tuscaloosa provide an opportunity to study the emergence of organizations while holding the environmental context constant. Third, the formation and ensuing outcome of individual organizations can be clearly delineated in this setting.

Methodology and Findings

We utilized inductive grounded theory building methods drawing upon multiple cases and theoretical sampling to study entrepreneurs and organizational emergence (Strauss & Corbin, 1990). We interviewed 35 organizations that emerged as a result of the Tuscaloosa tornado. Preliminary findings include: 1. Market-based managerial theories such as Transaction Cost Economics (TCE) are not as applicable as environment-based perspectives such as Institutional Theory; 2. Consistent with Bricolage theory, the formation and execution of many of the response organizations was significantly influenced by the resources and personal networks controlled by their founders at the time of organizational inception; 3. The rapidity of organizational emergence was influenced by founder’s network range and resource stocks. 4. Consistent with dynamic capabilities theory, the fungibility of the resources, skills, and capabilities of the organizational founders influenced the efficacy and longevity of the organizations that were developed.

Results and Implications

This study offers several important contributions to our understanding of the microfoundations of organizational emergence from the individual, organizational, and institutional perspectives. At the individual level, our study offers insights into the role that individual affects and cognitions play in directly influencing the formation and evolution of organizations. At the organizational level, our study offers insights into emergence-inducing factors such as the fungibility of organizational resources in the face of newly created opportunities. At the institutional level, our study offers insights into how institutional factors can promote or inhibit the emergence of new organizations.

CONTACT: Lou Marino; lmarino@cba.ua.edu; The University of Alabama.