



42. TRACK : Evolution, Darwinism and the Theory of the Firm

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Abstract:

Following the Charles Darwin theories, evolution studies have been prominent also in the management literature. To date, scholars basically argue that firms cannot be conceptualized as *super-rationale* monoliths with full discretionary power. At the same time, even if dynamic and pro-active, firms cannot be completely perceived as always changing biological systems (e.g. the living organisms). In particular:

- both human resources and other factors of production, such as land and capital, are integrated into the company. Although coexisting within the same organizational framework, each one does follow behavioural rules which are different;

- artificial intelligence (i.e. computers and process automations) has progressively replaced human intelligence within the firm. Although artificial intelligence adds some *flexibility* to organizational structures, it also presents some *inflexible* behavioural codes;
- after their birth firms do not behave randomly to achieve their goals. They have to be managed as *contrived* systems through strategic planning and bureaucratic organizational structures.

However, there is a number of reasons in support of the Darwinian interpretation of the enterprise nature:

- both the enterprise and the biological system are basically composed of differentiated and reciprocally functional subsystems, whose configurations and relationships may change either radically or marginally over time;
- both systems embrace different *species*, which vary according to specific morphological, physiological or behavioural features;
- the mechanisms that govern the combination of material and immaterial resources within the firm are not so diverse from those that help the functioning of the elements of the human body (i.e. backbone, arms and legs);
- the firm life cycle looks very similar to that of many biological systems, as far as the stages of growth are concerned.

The above mentioned aspects are a promising basis for the research studies in the area of organizational evolution. This track aims at offering a contribution to address three interrelated questions:

First, what are the distinctive features that characterize “evolution studies” within the theory of the firm?

Secondly, what similarities and dissimilarities are emerging when we observe firms and biological systems?

Thirdly, how do firms *adapt*? What is the importance of voluntarism in the management and governance of the firm? What is the role of environmental determinism?

Papers focusing on the conceptual and/or empirical research addressing these questions are invited and welcome.

Keywords: adaptation, Darwinism, decision making, evolution.