

# Chapter 7.8

## Organizational Attention

**Eyal Yaniv**

*Bar-Ilan University, Israel*

**David G. Schwartz**

*Bar-Ilan University, Israel*

### INTRODUCTION

Attention is a term commonly used in education, psychiatry, and psychology. Attention can be defined as an internal cognitive process by which one actively selects environmental information (i.e., sensation) or actively processes information from internal sources (i.e., stored memories and thoughts; Sternberg, 1996). In more general terms, attention can be defined as an ability to focus and maintain interest in a given task or idea, including managing distractions. Attention is selective by its nature. According to Pashler (1998, p. 37), “The process of selecting from among the many potentially available stimuli is the clearest manifestation of selective attention.”

Why do firms respond to certain events or stimuli in their environment while neglecting others? It seems that organizations, just like individuals, have limited attention capacity. Hence,

they must select from among the many potentially available stimuli and respond to these selected stimuli only. Organizational attention is defined as the socially structured pattern of attention by decision makers within the organization (Ocasio, 1997). Organizational attention, like human attention, is a limited resource: “Attentional limits filter or screen incoming information such that a great deal of data pertinent to strategic decision may never get processed” (Corner, Kinicki, & Keats, 1994, p. 296). Garg, Walters, and Priem (2003) show that the extent to which CEOs (chief executive officers) are selective in their attention to sectors of the environment is a significant predictor of performance.

Knowledge management (KM) models and process theories, almost without exception, incorporate a stage or phase in which a given knowledge item is brought to bear on a current decision or action. This stage, referred to alternatively as

externalization (Nonaka, 1994) or awareness (Schwartz, Divitini, & Brasethvik, 2000), is of crucial importance in any knowledge-management cycle. The flow of knowledge in and out of an awareness stage is not merely a function of the universe of available organizational memory or the technological tools available to filter and identify such knowledge. It is influenced to a large degree by organizational attention. The second area in which organizational attention is key is knowledge acquisition and creation as discussed by Ocasio (1997), and Yaniv and Elizur (2003).

Successful knowledge management requires attention. Davenport and Volpel (2001) argues that attention is the currency of the information age. Knowledge consumers must pay attention to knowledge and become actively involved in the knowledge-transfer processes. This is particularly important when the knowledge to be received is tacit (Nonaka, 1994). Knowledge can be part of the organization's repository, however, if it does not get the attention of decision makers or other knowledge workers, it is not effective. This knowledge can be very important and relevant to the organization, but since it does not get attention, it does not become useful. Organizational attention is crucial in the context of knowledge management as it lays the infrastructure for knowledge acquisition and transfer.

Like human attention, organizational attention is limited in its capacity. Davenport and Volpel (2001) terms this as the attention-deficit principle: "Before you can manage attention, you need to understand just how depleted this resource is for organizations and individuals." Organizational attention limits the ability of organizations to process knowledge and thus it should be of major concern when knowledge management is discussed.

The limited organizational attention span reduces the number of sources that the organization can use as knowledge sources. The organization has to pay attention to some sources while

ignoring or paying less attention to others. An increased likelihood of missing key information when making decisions is the direct result of this selective attention. In this article, organizational attention is discussed in the context of organizational knowledge flow and processing.

## **BACKGROUND: ORGANIZATIONAL ATTENTION AND KNOWLEDGE PROCESSING**

The fact that a situation demands information to fill cognitive gaps, to support values and beliefs, or to influence affective states, and that sources of information are available and accessible to the decision maker is no guarantee that the information will be processed (that is, incorporated into the users' framework of knowledge, beliefs, or values) or used (that is, lead to changes in behavior, values, or beliefs).

Mintzberg's (1973) model of the managerial use of information includes information acquired from the external environment. In his conceptualization of top managers as information-processing systems, the managers' interpersonal roles provide access and exposure to information from a large number of external and internal information sources. The manager in the informational role of monitor "continually seeks and receives information from a variety of sources in order to develop a thorough understanding of the organization and its environment" (p. 97).

Ocasio (1997) developed a framework for an attention-based view of the firm. He defines corporate strategy as "a pattern of organizational attention, the distinct focus of time and efforts by the firm on a particular set of issues, problems, opportunities, and threats, and on a particular set of skills, routines, programs, projects and procedures" (p. 188). Simon (1947) describes organizational behavior as a complex network of attentional processes. Ocasio argues that since

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