

# Environmental school of thought

[Education](#), [School](#)



According to Mintzberg, the environmental school of thought is a strategy dealing with the forces outside the organization. Unlike the other schools in his book, *Strategy Safari*, the environment plays a central role in the strategy formation process alongside leadership and the organization where the organization becomes subordinate to the external environment. The environmental school assumptions are that during the formative period of the organization the company shapes itself in response to the environment, but after that period is increasingly unable to respond to the environment. Moreover, the organization long term survival depends on the early choices made during its formative period. Over time, Mintzberg states, leadership becomes progressively less able to influence the performance and survivability of the organization. The environmental school of thought has three different views in looking at the influence of the environment on the organization. The first view, the Contingency, states that there is no one best way to run an organization, it all depends on four main dimensions of the environment. According to the stability dimension, an organization's environment can range from stable to dynamic. A variety of factors can make an environment dynamic, including unstable governments, unexpected changes in consumer demand or competitor supply, a rapidly changing technology or knowledge base, and even weather that can not be forecasted.

The complexity dimension deals with an environment that is complex to the extent that it requires the organization to have a great deal of sophisticated knowledge about products, customers, and supply.

It becomes simple when this knowledge can be rationalized and broken down into easily comprehended components. The third dimension is market diversity where organizations can vary from ones who sell their only product to one main distributor to ones that sell their many products to many other companies all around the world. The last dimension, hostility of the environment refers to organizations or businesses that choose what they want to deal with or to ones that have to fight for contracts and bid in order to get work. Hostility is influenced by competition, by the organization's relationships with unions, government, and other outside groups as well as by the availability of resources to it.

The contingency theory figured out a set of responses to the four dimensions mostly about structure and later about strategy. The second view in the environmental school of thought is the Population Ecology view. Followers of this view believe that the basic structure and character of an organization is fixed shortly after its creation where early action of managers in areas of investments, equipment, and personnel create passivity for future actions. The theory is viewing the organizations in terms of their collective behavior but the organizations' individual survival depends on their ability to acquire an adequate supply and resources. According to the population ecology view, each environment has a finite amount of resources which they refers to as "fixed carrying capacity" where in a rapidly growing new industry, carrying capacity might support most existing organizations but already in the maturity stage, the carrying capacity may decline and the demand for products will decreases. In such cases, organizations should hold resources in reserve for future emergencies. The third view dealing with the

environment is the institutional view which refers to the pressures an organization faces in its environment, from other organizations, and from just being an organization.

The environment consists of interactions among key suppliers, consumers, regulatory, government agencies, and competitors. Those interactions drive organizations in the same environments over time to adopt similar structure and practices which are called Institutional Isomorphism. There are three types of isomorphism according to the institutional view. The coercive isomorphism represents the pressures to conform, exerted through standards, regulations and the like. The second type, the mimetic isomorphism results from borrowing and imitation and the third type the normative isomorphism is where organizations are dominated by experts who bring their own shared norms into decision making. These types of isomorphism constrain organizations and leave little scope for independent decision making.