SYSTEM EFFICIENCIES

ALLOCATIVE VS ADAPTIVE EFFICIENCIES in GLOBAL BUSINESS STRATEGY

ALLOCATIVE EFFICIENCIES

- MARKET FOR CORPORATE CONTROL
  - CORPORATE ASSETS ARE EASILY VALUED & SEPARABLE
  - CREATING VALUE
- INTERNAL MARKET VIA BUDGETING
  - CORPORATE ASSETS ARE EASILY VALUED & SEPARABLE
  - CREATING VALUE

ADAPTIVE EFFICIENCIES

- BETTER FIT WITH EXTERNAL ENVIRONMENT
  - FORCES OF SELECTION
  - INSTITUTIONAL THEORY
    - SEARCH FOR LEGITIMACY
    - COERCIVE & VOLUNTARY IMITATION
- BETTER FIT WITH INTERNAL ENVIRONMENT
  - MANAGERIAL FORCES FOR ORGANIZATIONAL CHANGE
  - ORGANIZATIONAL CHANGE STRATEGIES