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# Ambiguity in Organization Theory

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and Eero Vaara



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AMBIGUITY IN  
ORGANIZATION THEORY

*From Intrinsic to Strategic  
Perspectives*

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# Ambiguity in Organization Theory

## From Intrinsic to Strategic Perspectives

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**Abstract:** This Element presents and discusses the main trajectories in the evolution of the concept of ambiguity and the most relevant theoretical contributions developed around it. It specifically elaborates on both the intrinsic perspectives on ambiguity as an inherent part of organizational decision-making processes and the more recent strategic perspectives on discursively constructed strategic ambiguity. It helps illuminate the path ahead of organizational scholars and offers new avenues for future research. This is important given the ever more pervasive presence of ambiguity in and around organizations and societies.

This Element also has a video abstract: [www.cambridge.org/OrganizationTheory\\_Giulia\\_Cappellaro\\_abstract](http://www.cambridge.org/OrganizationTheory_Giulia_Cappellaro_abstract)

**Keywords:** ambiguity, decision-making, strategy, organizational discourse and communication, organizational change

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*Worlds in which interpretation and desires are contradictory and causality is unfathomable can be disturbing. They are represented in fairy tales by the forest (dark, forbidding, and dangerous) and in stories of adventure by the sea (dark, powerful, and uncontrollable). Ambiguous worlds are disturbing, but they are also magical. Beauty and ugliness are compounded; reality and fantasy are intertwined; history is created; intelligence is expanded.*

*(March, Primer on decision making: How decisions happen, 1994: 179)*

## 1 Introduction

The purpose of this Element is to focus on the concept of ambiguity and explain what it means as an inherent part of organization theory. Ambiguity can be broadly defined as a lack of clarity regarding a phenomenon or situation (Feldman, 1991; Weick, 1995) or the presence of multiple, even conflicting, interpretations of the same phenomenon (Daft & Weick, 1984; Feldman, 1989). In this Element, we argue that ambiguity is a key feature of organizational and social phenomena and that it deserves special attention because it helps us understand fundamental aspects of the social construction of the reality around us. Focusing on ambiguity offers a fruitful perspective for understanding the multiplicity of goals, interests, values, perspectives, and voices that characterize contemporary organizations – and how they may or may not coexist. By so doing, it helps us to move from the conventional views of organizations as monolithic entities with clear features and objectives to an understanding that highlights the fuzziness, unpredictability, and irrationality of organizational decision-making and organizational life more generally.

It is no wonder that ambiguity has played a role in organization theory for a long time – almost from the start. This is especially the case with the seminal work of James March (Cohen, March, & Olsen, 1972; Cyert & March, 1963; March, 2010), which has highlighted the key role of ambiguity in organizational decision-making. For quite some time, scholars have also been interested in how organizations cope with various circumstances of environmental ambiguity or uncertainty (Tushman & Nadler, 1978; Tushman & O'Reilly, 1996). A specific stream of research has developed around causal ambiguity (Konlechner & Ambrosini, 2019), highlighting the difficulties inherent in understanding the antecedents or consequences of organizational decisions or actions. More recently, we have seen an important shift from a more limited focus on decision-making to a view of ambiguity as a key part of the social construction of reality. In particular, rooted in communication studies (Eisenberg, 1984), we have seen an increasing interest in strategic ambiguity and how it may be deliberately used by organizational actors. One can also see

connections with discursive, poststructuralist, and postmodern analysis of the multiple realities in and around organizations (Phillips & Oswick, 2012).

What is important for our purposes is the significant broadening that has occurred in our understanding of ambiguity. Although it is widely established that ambiguity can create major problems in organizations (Alvesson & Sveningsson, 2003; Denis, Langley, & Cazale, 1996), the more recent studies have shown how it can also help mobilize people for common causes (Sillince, Jarzabkowski, & Shaw, 2012) and provide strategic advantages in a variety of contexts (Cappellaro, Compagni, & Vaara, 2021; Eisenberg, 1984). It is this more recently “discovered” strategic perspective on ambiguity that deserves special attention and is a particular reason for this Element.

Over time, the concept of ambiguity has been progressively disentangled from related terms such as uncertainty (Townsend et al., 2018), paradox (Fairhurst et al., 2016), multivocality (Padgett & Ansell, 1993), and polyphony (Belova, King, & Sliwa, 2008). However, despite long-standing interest in ambiguity in organization theory, we lack integrative and systematic analyses of the various types, dimensions, and uses of *ambiguity in and around organizations*. This has hampered fruitful exchange between scholars from different traditions and impeded the overall theoretical development of this crucial aspect of organization theory. We believe that conceptually integrated research and critical reflection on organizational ambiguity are particularly relevant for theoretical discussion of strategic decisions in organizations in the fluid and often unpredictable context that characterizes our current social reality.

In this Element, we offer such a framework. We will start with a discussion of adjacent and partly overlapping research on related concepts. This will lead us to a review of what we label intrinsic and early perspectives on ambiguity in organization studies as they relate to goals, causes, context, information, and categories and focus on organizational decision-making processes. We will then proceed to an overview of more recent perspectives focusing on strategic ambiguity. This will lead us to present a path forward in research on ambiguity in organization theory and an agenda for future research. In all this, we attempt to take a broad and comprehensive perspective; we seek to situate ideas about ambiguity in their intellectual context and then explain what they mean for here and now in our integrative approach. While this means some key linkages to research in other areas – such as political science or communication studies – we will focus on organizational ambiguity and primarily deal with how it shapes decisions and actions in and around organizations.