M@n@gement

New Institutionalism: Roots and Buds

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The roots of the new institutional theory are well known (Scott, 2008)[1]. Meyer and Rowan (1977) undermined the (then) prevailing imagery of organizations as quasi-rational actors navigating economic and technical contingencies, showing instead that organizations are influenced by socio-cultural and cognitive (institutional) factors that prescribe and proscribe appropriate behavior. Organizations conform to institutional prescriptions because doing so provides social approval (legitimacy) and enhances organizational survival. DiMaggio and Powell (1983) took these ideas forward by elaborating three mechanisms — coercive, normative, and mimetic — by which institutional demands are diffused. They also foregrounded the organizational field as an appropriate level of analysis for observing and exploring these processes and effects.

From then on, the study of organizations would not be the same. These roots took hold and (to continue the analogy) a sturdy, highly variegated tree has resulted! Elaboration of the institutional perspective has expanded to the point where it is now the dominant approach within organization theory.

Initially, much attention centered upon understanding institutional diffusion, especially the influence of mimetic processes. We learned how ideas diffuse through interlocking directorates, and explored the roles played by certain organizations as exemplars or models. This early preoccupation with diffusion, which dominated the 1990s, gave early indications of three features of institutional scholarship that still characterize work in this area: first, a consistently imaginative extension of its central ideas – as was illustrated early on by the distinctive approach to diffusion taken by Scandinavian researchers, who highlighted translation as a feature of diffusion (see Czarniawska & Joerges, 1996; Sahlin & Wedlin, 2008); second, a continual broadening of its

lines of inquiry (an early example was Oliver's [1991] incorporation of resource-dependence theory); and third, the tendency to revisit previously recognized but underdeveloped ideas, such as D'Aunno et al.'s (1991) observation that organizations often face multiple institutional demands — an idea recently resurrected (Kraatz & Block, 2008). Indeed, from its earliest moments — or roots — institutional scholarship has consistently filled in details of its overarching framework, whilst, at the same time, blurring the contours of that framework.

The balloon of enthusiasm for understanding diffusion processes, of course, was woundingly punctured by DiMaggio's (1988) complaint that institutionalists were not attending to the formation of institutions, and especially not to processes of institutional change. It took time, but in response to this challenge, scholarship was redirected towards institutional entrepreneurship and institutional change (for a review, see Hardy & Maguire, 2008). The paradox of embedded agency (see Battilana et al., 2009) — i.e., how actors within highly institutionalized contexts can exercise reflexivity and accomplish institutional change — generated much rethinking. In doing so, we have drawn ideas from social movement theory (Rao, Monin & Durand, 2003; Schneiberg & Lounsbury, 2008) and discourse analysis (e.g., Phillips, Lawrence & Hardy, 2004). The drive to understand change and embedded agency has foregrounded the organizational field as a productive site of analysis, which has become closely intertwined with the concept of institutional logics (see Thornton, Ocasio & Lounsbury, 2012). Overall, we now have a much better (albeit incomplete) appreciation of institutional emergence, institutional repair, institutional maintenance and continuity, and institutional change.

For over three decades the trajectory of institutional scholarship has been consistently upwards and attention has moved from one emphasis (branch of the tree?) to another. We have moved away from the oversocialized (Granovetter, 1985) bias characteristic of early theorizing to a recognition that organizations may seek to manage their legitimacy in ways other than the simple adoption and decoupling of symbolically important practices. We are studying how and why organizations respond differently to seemingly similar institutional demands and we are learning of the possible consequences of these consequences. We are continuing to expand our understanding of the mechanisms by which institutional demands are invoked by field-level intermediaries such as the media, critics, consumers, the professions and analysts.

Perhaps inevitably, the centrifugal expansion of institutional explorations can be bewildering. The breadth of scholarship is exciting but also intimidating. Making sense of, and giving coherence to, this still-expanding world of overlapping ideas and interpretations is not easy. Moreover, the challenge of imposing coherence is distinctly hindered by a self-inflicted tendency towards a proliferation of terms; "institutional" is an overused adjective. But it is this very combination of sustained explorations and elaboration that gives institutional (there's that word again) research its vibrancy and appeal.

There remains much to be done — ideas about cultural entrepreneurship (Lounsbury & Glynn, 2001), institutional work (e.g., Lawrence & Suddaby, 2006), institutional complexity (Greenwood et al., 2011; Kraatz & Block, 2008), hybridization (Battilana & Dorado, 2010), materiality (Pinch, 2008), and the application of those and earlier ideas to novel settings (e.g., Mair, Martí & Ventresca, 2012) — or extreme ones (Martí & Fernández, forthcoming) —, broader issues (Khan, Munir & Wilmott 2007) and to different levels of analysis

(Tempel & Walgenbach, 2007) are resonant with possibilities. We have learned much, but much more is yet to come.

We first discussed this special issue during the 7th New Institutionalism Workshop[2], held in Lyon in March 2011. We had the opportunity to access many prominent institutional scholars and indeed, half of the papers we received for the special issue had been presented in an earlier version at the workshop. The papers in this special issue were selected according to the usual double-blind review process. Following M@n@gement's tradition, we made sure the process was both demanding and developmental. We had a time constraint, however, which pushed us to be somewhat more selective, especially in the first round of reviews. We had to reject many papers that had potential but were not mature enough for authors to fully develop them in time. We have no doubt some of these will appear in print somewhere in the future. We are very pleased and proud to present an outstanding set of papers reflecting what we had in mind for this special issue. It is comprised of four papers (two conceptual ones, two empirical ones), one book review-cum-essay, and one book review. We introduce them in what follows.

Patricia Bromley, Hokyu Hwang and Woody Powell notice that although belonging to the same organizational field implies pressure to adopt similar practices, considerable variation exist in the way actors enact those practices. They study how NGOs in the Bay Area implement strategic planning and show the co-existence of three main logics driving its adoption, namely opportunism, associationalism, and managerialism. The authors use the first term, "opportunism", to suggest that organizations adopt planning to respond to different pressures (e.g., from board members) or fiscal requirements. By "associationalism", the authors mean that planning is used to reassess the mission of the association. Finally, "managerialism" refers to situations in which planning is considered a routine element of management. Variation ensues in how the business practice — strategic planning — is enacted. Building on Bromley and Powell (2012), the authors distinguish symbolic adoption (the strategic plan "sat gathering dust on a shelf") and symbolic implementation (the plan alters organizational routines, but managers are uncertain about how this helps to attain goals). Their article thus sheds new light on decoupling, going beyond extant research that predominantly focuses on intended decoupling. Instead, they argue, decoupling can happen "unwillingly" because of lack of resources or foresight. In addition, whereas previous research has largely emphasized how exogenous pressures lead to conformity, Bromley and her colleagues note that the boundary between external and internal pressures can be blurred. They document internal mechanisms that push the organization to adopt practices through what they call "micro-level internalization". Decoupling (Meyer & Rowan, 1977) is, no doubt, a "root" concept for institutional theorists. By revisiting it, Bromley, Hwang and Powell open up promising research avenues in at least two directions: the role of institutional complexity and the need to look at how organizational members negotiate such complexity and different macro-institutional scripts, which they later translate into everyday actions. Importantly, they suggest that decoupling should be understood — and studied — not as a state but as a process.

In a conceptual article, Kafui Dansou and Ann Langley bring the notion of test to better understand institutional work. Originating from conventionalist theory (Boltanski & Thévenot, 2006/1991), the notion of test refers to instances when

value frameworks shaping behaviors are questioned. Here, those instances are the moments when institutional arrangements are questioned, as one can witness when institutions are created, maintained, challenged and disrupted. The authors argue that tapping into the conventionalist toolbox, and more precisely shifting from institutional logics to conventionalist orders of worth, affords a better understanding of micro-processes at play during such critical moments and processes. Tests can occur at two levels: tests of whether principles are correctly applied, and tests of whether said principles are appropriate to a given situation. In institutional terms, tests are, they argue, a form of institutional work particularly at play in situations of institutional complexity. Tests also allow bringing materiality to the fore as they involve artifacts, thus going beyond institutional theorization (Suddaby & Greenwood, 2005). Dansou and Langley argue that a closer look at the moments of test marking sequences of institutional stability and change can contribute to our understanding of institutional work. Specifically, this should shed light on micro-processes in three key dimensions. The first one is agency. According to the authors, using the notion of test permits to "see" different degrees of intentionality; it allows us to distinguish between strategic or more pragmatic forms of institutional work too. The second dimension is relationality, by which Dansou and Langley refer to the analysis of actions and reactions as they unfold over time. The third one, temporality, focuses on the temporal flow of actions shaping the evolution of institutions. The notion of test thus offers new possibilities to tackle a good number of central questions for institutionalists as identified above, including work and materiality.

Benjamin Taupin also puts to work Boltanski and Thévenot's (2006) theory of justification in a study of how the credit rating industry was able to maintain its legitimacy amidst mounting critiques during the 2000s crisis. Based on a qualitative analysis of 340 comments sent to the SEC during its public consultations, Taupin uncovers three kinds of work that contribute to institutional maintenance. The first one, confirmation work, consists in reaffirming existing arrangements through epideictic discourses, thus avoiding any questioning of institutionalized practices. With increased pressure following the subprime crisis, actors engaged into a second type of institutional work, namely qualification work. The third kind of institutional work, the circular figure, reinforces the compromise by emphasizing orders of worth composing it. To counter a critique based on the principles of one given order of worth, opponents will use principles from another order of worth. As a consequence, the debate remains inconclusive and the compromise is eventually reinforced. Taken together, these three kinds of work constitute justification work, i.e., work "based on use and arrangement of multiple forms of rationality in a moment of strong contestation intended to promote their vision of justice" (Taupin, this issue). This article nicely echoes the previous one by Dansou and Langley and contributes to our understanding of both institutional work and institutional complexity.

Elke Weik too aims to enrich institutional theory, and more specifically discussions about embedded agency, thanks to concepts developed elsewhere. Weik refers to the work of Hans Joas, a prominent German sociologist, who has developed a powerful action theory articulating the concepts of creativity, situation, corporeality, and sociality. Creativity is seen as inherent to any action, "a common human feature which is displayed whenever an actor finds

a solution to a problem in a specific situation" (Weik, this issue). Weik explains that Joas starts by critiquing the rational action underpinnings prevalent in most sociological accounts of action. First, she writes, this downplays the importance of the situation, to which humans adapt, modifying ends according to means. Second, this disregards the actor's corporeality, although we know the body affects how the actor thinks and acts. Third, any action builds upon and is constituted from social acts, or sociality. What does this bring to the institutional table? Weik argues that Joas's creativity of action allows us to conceive of actors and institutions as co-construed. She further develops four different themes where Joas's work promises to contribute to recent research by institutional scholars. To avoid giving up too much of her article, we present just one in this introduction: "institutional ecstasy". With this almost provocative term, Weik calls attention to the fact that institutions are not merely sets of taken-for-granted practices. Sociality implies that institutions sometimes also enable actors to go beyond themselves in "heroic deeds [that] do not consist in departing from institutions but in sticking to them or reinforcing them under utmost adversity". The firefighters of 9/11 or Chernobyl liquidators come to mind when reflecting upon this understudied emotional component to institutions. In addition to those four articles, we would like to draw attention to the two book reviews of this special issue, by Roger Friedland and April Wright.

Roger Friedland does more than review Thornton et al.'s (2012) *Institutional Logics Perspective*: he starts a conversation. And this conversation is so rich that it will fuel institutional research with ideas and questions just like his seminal article with Robert Alford (Friedland & Alford, 1991) did twenty years ago. To give just one example, Friedland argues that institutional logics allow bringing value back in (to paraphrase a famous article). As he writes, "value is central to an institutional logic: a presumed product of its prescribed practices, the foundation stone of its ontology, the source of legitimacy of its rules, a basis of individual identification, a ground for agency, and the foundation upon which its powers are constituted". And yet, the current formulation in the institutional logics perspective only captures this through sources of legitimacy. Friedland suggests that moving from sources of legitimacy to value would have us replace, for example, "share price" with "private property" in the market logic, "personal expertise" with "knowledge" in the professions logic, and "market position of firm" with "capital" in the corporation logic.

Finally, April Wright bravely tackles the Herculean task of reviewing the 1,848-page, five-volume set, edited by Royston Greenwood et al. (2012): *Institutional Theory in Organization Studies*. The collection reprints 57 highly influential articles and book chapters. Wright explains the logic behind the selection of those papers and presents the five volumes.

To conclude, we believe that the ideas and challenges explored in the articles and reviews in this special issue clearly indicate that the study and revisiting of old "roots" and the envisioning of new "buds" offer a fertile area for scholarly research on new institutionalism, and more largely, on organization theory. These works, which pair with recent research by students of institutions in a large number of fields and which mobilize a rather vast panoply of frameworks (to name a few recent trends: social movements, social interactionism, and materiality) can provide researchers with much theoretical material and methodological tools for further investigation. Together, they suggest a large number of issues, themes and problems largely unaddressed, settings

neglected, but also potential for revisiting long "taken-for-granted" insights and ideas. Happy reading!

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