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Neo-institutional Theory

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Introduction

Neo-institutional theory is one of the main theoretical perspectives used to understand organizational behavior as situated in and influenced by other organizations and wider social forces—especially broader cultural rules and beliefs. Initial scholarship theorized and documented how the construction of broader cultural rules constituted actors and facilitated organizational isomorphism—the growing similarity of organizations in a field. Subsequently, the scope of the theory was expanded to account for the transformation and change of institutions, as well as the heterogeneity of actors and practices in fields. This has spawned new strands of theorizing such as that related to the institutional logics perspective. While neo-institutional theory is most closely informed by ideas and debates in sociology and management, it also draws from cognitive and social psychology, anthropology, political science and economics.

Reference Resources

Academic Journals are the most common sources of new developments and information; however, there are a few reference resources that students of the field must consider. Scott 2008 is now in its third edition and provides a nice historical overview of this field of research. Greenwood, et al. 2008 provides a variety of chapters that address foundational themes, provide reviews of the literature, and offer guidance for new theoretical developments. Over the years, there have been a wide variety of important edited volumes. Meyer and Scott 1983; Meyer, et al. 1987; Zucker 1988; Powell and DiMaggio 1991; and Scott and Meyer 1994, while dated, provide still-useful touchstones for understanding the development of this body of thought. Greenwood, et al. 2012 provides reprinted versions of many of the most important papers in neo-institutional theory.

Greenwood, Royston, Christine Oliver, Kerstin Sahlin, and Roy Suddaby, eds. *The SAGE Handbook of Organizational Institutionalism*. Thousand Oaks, CA: SAGE, 2008.

A wide ranging handbook consisting of multiple invited chapters that review and summarize various topical areas within neo-institutionalism, including theoretical connections to other theoretical domains and concepts. Chapters are highly readable and are of great value to graduate students as well as scholars active or interested in the area. The volume is remarkable in assembling a diverse set of international contributors who address a wide scope of topics.

Greenwood, Royston, Christine Oliver, Kerstin Sahlin, and Roy Suddaby, eds. *Institutional Theory in Organization Studies*. London: SAGE, 2012.

This is an edited collection of previously published papers in neo-institutional theory. In addition to providing in one place many of the most highly cited publications in the area, a handful of more recent papers that signal new directions for the field are included.

Meyer, John W., and W. Richard Scott, eds. *Organizational Environments: Ritual and Rationality*. Beverly Hills, CA: SAGE, 1983.

An early edited collection that contains both previously published papers and original chapters by John Meyer and W. Richard Scott, with the assistance of Brian Rowan and Terrence Deal. This formative volume contains the seeds of many high-profile neo-institutional publications through the 1980s and into the 1990s.

Meyer, John W., G. Thomas, F. Ramirez, and J. Boli, eds. *Institutional Structure: Constituting State, Society, and the Individual*. Beverly Hills, CA: SAGE, 1987.

An important edited volume by John Meyer and colleagues that lays out key ideas and themes in the emergent World Society variant of neo-institutional theory. The volume addresses broad historical trends of modernity as they relate to organizations and society, including expanding state authority, the constitution of nation-states, and citizens and individuals, as well as rationalization and collective action.

Powell, Walter W., and Paul J. DiMaggio, eds. *The New Institutionalism in Organizational Analysis*. Chicago: University of Chicago Press, 1991.

An important edited volume—referred to as the “orange book” by insiders—consisting of published seminal articles and multiple invited chapters that provide efforts to refine and extend theory or offer empirical studies. This volume set the agenda for neo-institutional research and debate in the 1990s.

Scott, W. Richard. *Institutions and Organizations: Ideas and Interests*. 3d ed. London: SAGE, 2008.

A highly readable treatment of the development of neo-institutional thought, providing a review of the literature and overview of main concepts. It contains the “three pillars” framework—“normative,” “mimetic,” “cognitive-cultural”—that underpins much institutional scholarship.

Scott, W. Richard, and John W. Meyer, eds. *Institutional Environments and Organizations: Structural Complexity and Individualism*. Thousand Oaks, CA: SAGE, 1994.

Like Meyer and Scott 1983, this is an edited collection that contains both previously published papers (from the mid-1980s through the early 1990s) and original chapters by W. Richard Scott, John Meyer, and their students.

Zucker, Lynne G., eds. *Institutional Patterns and Organizations: Culture and Environment*. Cambridge, MA: Ballinger, 1988.

An important edited collection of theoretical and empirical papers by varied North American scholars on neo-institutional theory. It highlights the growing diversity of interest in neo-institutional theory and lays out key problems and directions for future development.

Journals

Journals are the most commonly used reference sources in neo-institutional theory. Neo-institutional research is published in the leading journals in management and sociology, including *Academy of Management Journal*, *Academy of Management Review*, *Administrative Science Quarterly*, *Organization Science*, *Organization Studies*, *American Sociological Review*, and *American Journal of Sociology*.

Academy of Management Journal.

Published bimonthly by the Academy of Management, the *Academy of Management Journal* is one of the leading journals in the field of management. It publishes only original empirical research. Each issue has multiple articles devoted to key topics in management.

Academy of Management Review.

Published quarterly by the Academy of Management, the *Academy of Management Review* publishes only theoretical and conceptual articles. It is one of the leading journals in the field of management. Each issue has multiple articles devoted to key topics in management.

Administrative Science Quarterly.

Published quarterly by SAGE on behalf of the Johnson Graduate School at Cornell University. Each issue has multiple empirical and theoretical articles, as well as book reviews on key topics in management and organizational analysis.

American Journal of Sociology.

Published bimonthly by the University of Chicago Press. Each issue has multiple empirical and theoretical articles as well as book reviews of general interest to the discipline of sociology.

American Sociological Review.

Published bimonthly by the American Sociological Association (ASA). Each issue has multiple empirical and theoretical articles of general interest to the discipline of sociology.

Organization Science.

Published bimonthly by the Institute for Operations Research and the Management Sciences (Informs). Each issue has multiple empirical and theoretical articles on key topics related to organizations and management.

Organization Studies.

Published monthly by SAGE in collaboration with the European Group for Organizational Studies (EGOS). Each issue has multiple empirical and theoretical articles, as well as book reviews on key topics related to organizations, organizing, and the organized in and between societies.

Key Concepts and Themes

Neo-institutional theory congealed around three key papers: Meyer and Rowan 1977, Zucker 1977, and DiMaggio and Powell 1983. As DiMaggio and Powell 1991 argues, neo-institutional theory developed in reaction to rational choice and other instrumentally oriented theories, as well as disquiet with the “old” institutionalism of Philip Selznick (Selznick 1949) and his contemporaries. In contrast to

functionalist thought emphasizing actors with vested interests, the new institutionalism emphasizes how wider sets of rules and beliefs fundamentally constitute actors, and how cognitive, normative, and regulative pressures lead to a legitimacy imperative (Scott 2008, cited under Reference Resources). Early pioneers were interested in debates in organizational sociology related to Max Weber's ideas on bureaucracy as well as his conceptualization of modern organizations as fundamental components of society (Weber 1978). As Schneiberg and Clemens 2006 argues, neo-institutional theory is an antireductionist approach that seeks to explain the behavior of organizations by understanding higher-order contextual effects emanating from wider institutional systems such as organizational fields and world society. As neo-institutional theory has evolved, scholarly problems concomitantly shifted, and a wide diversity of concepts and themes have been generated (Greenwood, et al. 2008, cited under Reference Resources).

DiMaggio, Paul J., and Walter W. Powell. "The Iron Cage Revisited: Institutional Isomorphism and Collective Rationality in Organizational Fields." *American Sociological Review* 48 (1983): 147–160.

This paper's opening question—"What makes organizations so similar?"—guided neo-institutional research through the 1980s and well into the 1990s. This theory development paper introduces the idea of organizational field and puzzles about the varied mechanisms—coercive, mimetic, and normative—that shape isomorphism in a field and lead organizations to appear homogenous. Several testable hypotheses are developed.

DiMaggio, Paul J., and Walter W. Powell. "Introduction." In *The New Institutionalism in Organizational Analysis*. Edited by Walter W. Powell and Paul J. DiMaggio, 1–40. Chicago: University of Chicago Press, 1991.

The introduction to the neo-institutional touchstone volume that set the agenda for 1990s neo-institutional research. It positions neo-institutional organizational research vis-à-vis other institutional approaches in economics and political science, makes a stark distinction between the "new" and "old" institutionalisms, and offers a grab bag of ideas from microsociology and social theory to address the problem of action in institutional theory.

Meyer, John W., and Brian Rowan. "Institutionalized Organizations: Formal Structure as Myth and Ceremony." *American Journal of Sociology* 83 (1977): 340–363.

A seminal paper that catalyzed development of the neo-institutional perspective. The paper posits that organizations are fundamentally shaped by cultural expectations—what they call "rational myths"—about what structures, practices, and behaviors are appropriate in a particular context. The authors argue that organizational conformity with rational myths leads to social endorsement ("legitimacy") and access to resources.

Schneiberg, Marc, and Elisabeth S. Clemens. "The Typical Tools for the Job: Research Strategies in Institutional Analysis." *Sociological Theory* 24 (2006): 195–227.

An important article that explores the methodological issues and problems related to neo-institutional analysis. It reviews and elaborates extant approaches to the study of institutional effects and influences, proposing novel strategies for the analysis of multiple logics, institutional coherence, and the contested nature of institutional dynamics.

Selznick, Philip. *TVA and the Grass Roots*. Berkeley: University of California Press, 1949.

Classic, in-depth case study in the "old" institutionalist tradition that tracked the corruption of ideals in the unfolding of the Tennessee Valley Authority (TVA). It highlights the process of co-optation as powerful actors were able to divert the TVA away from its initial mission and toward a set of practices that furthered their own interests.

Weber, Max. *Economy and Society: An Outline of Interpretive Sociology*. Edited by Guenther Roth and Claus Wittich. Berkeley: University of California Press, 1978.

An expansive corpus of ideas by one of the fathers of the discipline of sociology. Encyclopedic in nature, the two volumes deal with fundamental categories of economic action, systems of domination, legitimacy, status groups and classes, bureaucracy, politics, religion, and varied forms of social organization. It is considered an essential foundational work underpinning organizational and economic sociology. Originally published in 1922.

Zucker, Lynne G. “The Role of Institutionalization in Cultural Persistence.” *American Sociological Review* 42 (1977): 726–743.

An important early paper that drew on ethnomethodology to demonstrate experimentally how cultural persistence occurs through institutionalization—by defining acts as objective and exterior. Experiments showed that the greater the degree of institutionalization, the more that cultural understandings were uniform, maintained, and resistant to change. Despite the importance of this paper, experimental methods are eschewed by neo-institutional researchers, and attention to microfoundations has been limited until recently.

LEGITIMACY

The concept of legitimacy has been a central focal point for institutional scholarship since its inception. Influenced by Weber 1978 (cited under Key Concepts and Themes), Meyer and Rowan 1977 (also cited under Key Concepts and Themes) posited that organizations will conform to institutional prescriptions not necessarily because of requirements of technical efficiency, but instead to gain legitimacy with key audiences. These ideas were developed more substantively in Meyer and Scott 1983 (cited under Reference Resources). While subsequent work has questioned the opposition between technical efficiency and legitimacy imperatives, especially that on institutional logics, the concept of legitimacy has been given a great deal of empirical and theoretical attention (for reviews, see Suchman 1995 and Deephouse and Suchman 2008). While early neo-institutional invocations of legitimacy tended to occur in the context of answering the question of “why organizations were so similar” raised by DiMaggio and Powell 1983 (cited under Key Concepts and Themes), by the 1990s, research focus had begun to shift toward understanding how organizations acquire, manage, and use legitimacy (Greenwood, et al. 2008). For instance, Rao 1994 shows how legitimacy can be understood as a kind of organizational capital that enhances status, reputation, and survival chances. Extending the idea in Meyer and Scott 1983 (cited under Reference Resources) that legitimate organizations need to provide an acceptable theory of themselves, Lounsbury and Glynn 2001 argues that nascent entrepreneurs can gain legitimacy and access to resources for their new ventures by being skillful cultural entrepreneurs who construct broadly resonant stories about their identities and stocks of institutional and resource capital (see also Aldrich and Fiol 1994 and entrepreneurial legitimacy). A key tension in this line of work has to do with the extent to which organizations conform to institutional prescriptions versus develop or emphasize idiosyncratic characteristics and competences that differentiate them from peer organizations (e.g., Deephouse 1996). Ruef and Scott 1998 shows how legitimacy can be more multidimensional, with different audiences providing different sources of legitimacy for organizations. Current research continues to explore these issues and seeks to cultivate a richer understanding of the sources and consequences of legitimacy that accounts for the heterogeneity of audiences as well as the wider variety of actors that mediate organizations and audience evaluation.

Aldrich, Howard E., and C. Marlene Fiol. “Fools Rush In? The Institutional Context of Industry Creation.” *Academy of Management Review* 19.4 (1994): 645–670.

Introduces the distinction between cognitive and sociopolitical legitimacy and highlights how entrepreneurs in completely new industries must work to enhance legitimacy at the industry level as well as at the level of the new venture. Emphasizing the importance of studying new venture and industry legitimation processes in tandem has helped to fuel research at the interface of entrepreneurship and neo-institutional theory.

Deephouse, David L. “Does Isomorphism Legitimate?” *Academy of Management Journal* 39.4 (1996): 1024–1039.

An early empirical test of the conditions under which technical efficiency versus conformity to institutional prescriptions provide key sources of legitimacy. In the contexts of banks, Deephouse finds that efficiency and conformity enhanced bank legitimacy with regulators, while only conformity enhanced bank legitimacy with media. Thus, an important finding is that sources of legitimacy may differ by type of audience.

Deephouse, David L., and Mark C. Suchman. “Legitimacy in Organizational Institutionalism.” In *The SAGE Handbook of Organizational Institutionalism*. Edited by Royston Greenwood, Christine Oliver, Kerstin Sahlin, and Roy Suddaby, 49–77. Thousand Oaks, CA: SAGE, 2008.

A comprehensive review of theory related to legitimacy in neo-institutional research. Also discussed are the relationship between legitimacy and other kinds of social evaluations embedded in the concepts of status and reputation.

Greenwood, Royston, Christine Oliver, Kerstin Sahlin, and Roy Suddaby. “Introduction.” In *The SAGE Handbook of Organizational Institutionalism*. Edited by Royston Greenwood, Christine Oliver, Kerstin Sahlin, and Roy Suddaby, 1–46. Thousand Oaks, CA: SAGE, 2008.

A brief review of some of the key foundational ideas and concepts in neo-institutional theory and how research has evolved over time, a commentary on future directions, and an introduction to contributions to the *SAGE Handbook of Organizational Institutionalism*.

Lounsbury, Michael, and Mary Ann Glynn. “Cultural Entrepreneurship: Stories, Legitimacy, and the Acquisition of Resources.” In *Special Issue: Strategic Entrepreneurship: Entrepreneurial Strategies for Wealth Creation. Strategic Management Journal* 22.6–7 (2001): 545–564.

Introducing the influential concept of “cultural entrepreneurship,” the relationship between entrepreneurial identity stories and new venture legitimation is theorized. The paper conceptualizes organizational identity as institutionally conditioned and argues that entrepreneurs need to simultaneously emphasize the unique capitals associated with their ventures and to articulate a firm’s identity with widely understood organizational categories.

Rao, Hayagreeva. “The Social Construction of Reputation: Certification Contests, Legitimation, and the Survival of Organizations in the American Automobile Industry; 1895–1912.” In *Supplement: Trustworthiness as a Source of Competitive Advantage. Strategic Management Journal* 15.S1 (1994): 29–44.

An interesting empirical article on certification contests in the early automobile industry that conceptualizes reputation as an outcome of legitimation. It shows that victories in automobile contests enhance life chances of auto manufacturers, highlighting how the competence of firms is institutionally shaped.

Ruef, Martin, and W. Richard Scott. “A Multidimensional Model of Organizational Legitimacy: Hospital Survival in Changing Institutional Environments.” *Administrative Science Quarterly* 43.4 (1998): 877–904.

Building on the work of Deephouse 1996, Ruef and Scott explore the sources and consequences of two forms of legitimacy (managerial and technical) in hospital organizations. They document that both the sources and the strength of these forms of legitimacy vary over time, highlighting the need for a more multidimensional approach to organizational legitimacy.

Suchman, Mark C. “Managing Legitimacy: Strategic and Institutional Approaches.” *Academy of Management Review* 20.3 (1995): 571–610.

A nice review of research on institutional legitimacy and the effort to parse kinds of legitimacy. Three forms of legitimacy are discussed: pragmatic, based on self-interest; moral, based on normative approval; and cognitive, based on comprehensibility and “taken-for-grantedness.”

ISOMORPHISM AND DIFFUSION

In their seminal paper, the authors of Meyer and Rowan 1977 (cited under Key Concepts and Themes) proposed that widespread social understandings, or rationalized myths, provide prescriptions of appropriate conduct that cause organizations to become isomorphic with their institutional context. They argue that to the extent that organizations conform to such prescriptions, they will be viewed as legitimate (see Legitimacy). DiMaggio and Powell 1983 (cited under Key Concepts and Themes) elaborates on this idea by theorizing different ways in which broader institutional pressures lead organizations to look similar by adopting common structures, forms, and practices. The authors emphasize coercive, mimetic, and normative pressures. Coercive pressures stem from the dictates of authoritative agents (e.g., the state) or desires of powerful entities to which focal firms are dependent on. For instance, Sutton, et al. 1994 explores how government mandates related to equal employment opportunity and affirmative action facilitated the adoption of disciplinary hearings and grievance procedures for nonunion salaried and hourly employees. Mimetic pressures stem from conditions of uncertainty that trigger imitation of peers (e.g., Tolbert and Zucker 1983). Normative pressures involve widely shared beliefs of appropriate behavior, often promulgated by professional experts (e.g., Mezas 1990). Many studies aimed to analyze these mechanisms in tandem (e.g., Palmer, et al. 1993). For reviews of the literature on isomorphic diffusion that has stemmed from theorizing these different institutional pressures, see Strang and Soule 1998 and Boxenbaum and Jonsson 2008. While early work (e.g., Tolbert and Zucker 1983) counterposed technical efficiency demands to institutional pressures in order to document the power of isomorphism, subsequent research has argued that technical demands are institutionally constructed and has aimed to show how isomorphism itself can be quite variegated and uneven across space and time (e.g., Ansari, et al. 2010). For instance, building on renewed interest in studying community, Marquis, et al. 2007 argues that under certain conditions, we may see isomorphism of organizations within particular geographic communities as opposed to across entire organizational fields.

Ansari, Shahzad M., Peer C. Fiss, and Edward J. Zajac. “Made to Fit: How Practices Vary as They Diffuse.” *Academy of Management Review* 35.1 (2010): 67–92.

A theoretical article offering a framework for the study of how practices vary during diffusion processes. The authors emphasize the need to understand the content of diffusing practices, and how various factors associated with diffusion and organizational implementation of practices can generate practice variation as a result of different patterns of practice adaptation.

Boxenbaum, Eva, and Stefan Jonsson. “Isomorphism, Diffusion and Decoupling” In *The SAGE Handbook of Organizational Institutionalism*. Edited by Royston Greenwood, Christine Oliver, Kerstin Sahlin, and Roy Suddaby, 78–98. Thousand Oaks, CA: SAGE, 2008.

A review of neo-institutional research on isomorphism and decoupling. The authors argue that causal relationships identified in extant research are ambiguous, and that clarification of causal connections, especially in more-fragmented and heterogeneous fields, is an important focal point for future research. Further research on the relationship between isomorphism and decoupling is also encouraged.

Marquis, Christopher, Mary Ann Glynn, and Gerald F. Davis. “Community Isomorphism and Corporate Social Action.” *Academy of Management Review* 32.3 (2007): 925–945.

A theoretical article arguing that isomorphism is conditioned by geographic communities. Focusing on corporate social action, the

authors provide a model of how community-level institutional pressures influence how firms engage in socially oriented behaviors or establish practices that aim to enhance social benefits that go beyond the dictates of profit maximization.

Mezias, Stephen J. “An Institutional Model of Organizational Practice: Financial Reporting at the Fortune 200.” *Administrative Science Quarterly* 35.3 (1990): 431–457.

This study tracks the role of professionals in facilitating normative isomorphism of generally accepted accounting principles in financial reporting across a population of for-profit organizations. It provides a critique of economic explanations that employ narrow assumptions of rationality.

Palmer, Donald A., P. Devereaux Jennings, and Xueguang Zhou. “Late Adoption of the Multidivisional Form by Large U.S. Corporations: Institutional, Political, and Economic Accounts.” *Administrative Science Quarterly* 38.1 (1993): 100–131.

The authors document the role both of coercive and normative pressures in facilitating the spread of the multidivisional form in the 1960s. They show how chief executives with elite business school degrees and board interlock ties with firms that previously adopted the organizational design enhanced the propensity of a firm to shift to this form.

Strang, David A., and Sarah A. Soule. “Diffusion in Organizations and Social Movements: From Hybrid Corn to Poison Pills.” *Annual Review of Sociology* 24 (1998): 265–290.

A review of diffusion research in the literatures of organization theory and social movements. It highlights methodological trends, using network analysis and event history techniques, and argues for more attention to the context of diffusion, including the content of social relations that facilitate the flow of practices, as well as the role of the media and other experts.

Sutton, John R., Frank Dobbin, John W. Meyer, and W. Richard Scott. “The Legalization of the Workplace.” *American Journal of Sociology* 99.4 (1994): 944–971.

An important study that shows how state pressures drive the legalization of the workplace, as expressed through the adoption of formal grievance procedures. Data on three hundred organizations over a thirty-year period document how the spread of due-process law related to equal-employment opportunity and affirmative-action mandates was importantly facilitated by the existence of human resource professionals, in contrast to the dominance of unions.

Tolbert, Pamela S., and Lynne G. Zucker. “Institutional Sources of Change in the Formal Structure of Organizations: The Diffusion of Civil Service Reform, 1880–1935.” *Administrative Science Quarterly* 28.1 (1983): 22–39.

One of the first empirical studies documenting isomorphism. A two-stage model of diffusion is posited that distinguishes early and late adoption patterns. It is argued that early adopters do so for reasons related to technical requirements, whereas late adopters are driven by contagion. Subsequent research has challenged this two-stage conceptualization for equating institutional effects with contagion.

DECOUPLING AND RECOUPLING

Meyer and Rowan 1977 (cited under Key Concepts and Themes) argues that the organizational adoption of structures and practices connected to rationalized myths may be decoupled from the core operations of an organization. This may be due to the fact that the substantive implementation of such structures and practices may be inconsistent with efficient operations or extant routines, or because the organization exists in a pluralistic institutional environment where there are multiple, yet inconsistent, institutional prescriptions. One

of the main streams of work has been on when the organizational adoption of institutionally endorsed practices is ceremonial (i.e., decoupled from core operations) versus substantive. Brunsson 1989 calls attention to this issue, with the author's notion of organizational hypocrisy where organizational communications depart from actions. In a series of studies, James Westphal and colleagues detailed a variety of factors shaping ceremonial versus substantive adoption (e.g., Westphal and Zajac 1994, Westphal and Zajac 2001). Lounsbury 2001 details how decoupling can be institutionally shaped by field-level organizations that facilitate the substantive implementation of practices. Fiss and Zajac 2006 focuses on how decoupling can be a key component of symbolically managing strategic change. Hallett 2010 shows how rationalized myths may initially become instantiated via decoupling and ceremonial conformity but become substantively implemented over time by recoupling processes (on recoupling, see also Espeland 1998). Bromley and Powell 2012 reviews the literature on decoupling and recoupling and argues that decoupling between means and ends requires much more attention.

Bromley, Patricia, and Walter W. Powell. "From Smoke and Mirrors to Walking the Talk: Decoupling in the Contemporary World." *Academy of Management Annals* 6.1 (2012): 483–530.

A review and critique of extant work on decoupling and recoupling. The authors argue that while there has been a fair amount of research on decoupling as a gap between policy and practice, more research is needed on decoupling as a gap between means and ends.

Brunsson, Nils. *The Organization of Hypocrisy: Talk, Decisions, and Actions in Organizations*. Translated by Nancy Adler. Chichester, UK: Wiley, 1989.

Expanding our understanding of organizational legitimation and decoupling processes, Brunsson highlights how organizations often incorporate different, sometimes incompatible, organizational structures, processes, and ideologies. He argues that while this tends to generate hypocrisy (a decoupling of talk and action), it can also enhance organizational legitimacy and survival.

Espeland, Wendy N. *The Struggle for Water: Politics, Rationality, and Identity in the American Southwest*. Language and Legal Discourse. Chicago: University of Chicago Press, 1998.

One of the first studies of recoupling. In an in-depth analysis of the Orme Dam construction project in Arizona, it is shown how "Old Guard" engineers became invested in the dam project for its own sake, even though it was perceived as the optimal solution to the generation of electricity and water. Over time, practice was realigned with technical rationality.

Fiss, Peer C., and Edward J. Zajac. "The Symbolic Management of Strategic Change: Sensegiving via Framing and Decoupling." *Academy of Management Journal* 49.6 (2006): 1173–1193.

Analyzing the shift toward a shareholder value orientation among German firms, the authors develop a symbolic-management perspective on how firms frame strategic change. Among their findings, the authors show that firms were better able to adopt a shareholder value orientation if they decoupled espousal and actual implementation of such strategic change.

Hallett, Tim. "The Myth Incarnate: Recoupling Processes, Turmoil, and Inhabited Institutions in an Urban Elementary School." *American Sociological Review* 75.1 (2010): 52–74.

A pioneering study exemplifying the "inhabited institutions" approach. Drawing on an ethnographic study of an urban elementary school, it is shown how recoupling between institutional myths and organizational practices occurs.

Lounsbury, Michael. “Institutional Sources of Practice Variation: Staffing College and University Recycling Programs.” *Administrative Science Quarterly* 46.1 (2001): 29–56.

An early contribution to the interface between the study of social movements and organizational theory. In a study of recycling program diffusion, it is shown how the substantive adoption of programs was linked to social-movement activism. It is argued that the analysis of practice variation across organizations requires closer attention to the content of practices.

Westphal, James D., and Edward J. Zajac. “Substance and Symbolism in CEOs’ Long-Term Incentive Plans.” *Administrative Science Quarterly* 39.3 (1994): 367–390.

Exploring long-term incentive plan (LTIP) adoption and use among large corporations, the authors find that the majority of firms design CEO compensation contracts that are ceremonially constructed, in that they do not substantively implement the LTIPs they previously said they value. Combining an analysis of institutional and micropolitical forces, they argue that such decoupling is especially likely among later adopters.

Westphal, James D., and Edward J. Zajac. “Decoupling Policy from Practice: The Case of Stock Repurchase Programs.” *Administrative Science Quarterly* 46.2 (2001): 202–228.

Through a study of the adopted policies and implementation of stock repurchase programs by large corporations, the authors explore the conditions under which such adopted policies were substantively implemented. The authors show that decoupling—the failure to pursue stock repurchasing even though the firm had indicated it would—is more likely when top executives have power over their board of directors.

ORGANIZATIONAL FIELD

Introduced in DiMaggio and Powell 1983 (cited under Key Concepts and Themes), the notion of organizational field became the central way in which neo-institutional scholars referred to the environments of organizations studied (see Wooten and Hoffman 2008 for a review). Organizational field refers to communities of organizations that consequentially interact with each other, as well as the various infrastructural organizations and actors that affect the community under study—including suppliers, consumers, regulators, professional associations, ratings agencies, industry media, and the like. For a book-length analysis of an organizational field, see Scott, et al. 2000 as an exemplar. Despite more-nuanced treatments of organizational fields and their structural complexity (e.g., Meyer, et al. 1987), most early analyses of fields emphasized top-down effects that facilitated isomorphism across organizations (see Isomorphism and Diffusion). Research in the 1990s began to reconceptualize fields as more-fluid sites of struggle, where actors played more of a dynamic role in constructing, altering, or transforming fields from the bottom up (see Schneiberg 2007). Leblebici, et al. 1991 was one of the first studies of organizational field transformation, emphasizing the role of peripheral actors. By contrast, Greenwood and Suddaby 2006 highlights how actors at the center of a field can promulgate major institutional changes. The conditions under which central versus peripheral actors catalyze or resist change in organizational fields remain underdeveloped. Hoffman 1999 highlights how fields can be formed and recomposed on the basis of attention to and shifts in different kinds of issues, providing an alternative to dominant approaches to defining field boundaries by identifying technology or market commonalities (e.g., shared Standard Industrial Classifications [SIC]). Instead of providing sites for isomorphism, most recent work conceptualizes organizational fields as consisting of heterogeneous kinds of actors and practices, including diverse kinds of communities. Reinvigorating the concept of community and studies of community (both geographic and virtual) promises to provide an interesting direction for future neo-institutional scholarship (see, e.g., Marquis, et al. 2011).

Greenwood, Royston, and Roy Suddaby. “Institutional Entrepreneurship in Mature Fields: The Big Five Accounting Firms.” *Academy of Management Journal* 49.1 (2006): 27–48.

An account of the transformation of large, transnational accounting firms into professional service firms, and the circumstances that enabled this shift. The authors show how institutional change can be promulgated by central, dominant actors in a field.

Hoffman, Andrew J. “Institutional Evolution and Change: Environmentalism and the U.S. Chemical Industry.” *Academy of Management Journal* 42.4 (1999): 351–371.

An important paper that conceptualizes fields as forming around key issues, as opposed to markets or technologies. Focusing on the issue of corporate environmentalism, the author tracks how field-level dynamics shaped reactions by firms in the US chemical industry.

Leblebici, Huseyin, Gerald R. Salancik, Anne Copay, and Tom King. “Institutional Change and the Transformation of Interorganizational Fields: An Organizational History of the U.S. Radio Broadcasting Industry.” *Administrative Science Quarterly* 36.3 (1991): 333–363.

Tracking changes in practices in the US radio broadcasting industry, the authors show how peripheral actors in a field can catalyze institutional change. Three mechanisms are identified—analogy, private agreements, and conventions.

Marquis, Christopher, Michael Lounsbury, and Royston Greenwood, eds. *Communities and Organizations. Research in the Sociology of Organizations* 33. Bingley, UK: Emerald, 2011.

An edited volume bringing together varied theoretical and empirical papers on the study of communities and organizations. Contributions attend to processes involving organization in geographically bounded, transnational, and virtual communities.

Meyer, John, W. Richard Scott, and David Strang. “Centralization, Fragmentation, and School District Complexity.” *Administrative Science Quarterly* 32.2 (1987): 186–201.

An important early study of how a fragmented organizational field affects organizations. The authors empirically investigate how the administrative complexity of public school districts varies on the basis of their relationship to local, state, and federal funding sources.

Schneiberg, Marc. “What’s on the Path? Path Dependence, Organizational Diversity and the Problem of Institutional Change in the US Economy, 1900–1950.” *Socio-Economic Review* 5.1 (2007): 47–80.

An important paper suggesting that actors can endogenously construct new or alter extant organizational fields by utilizing institutional resources—“flotsam and jetsam”—that exist in other fields as remnants or extant structures and practices. The author draws on the case of cooperative organizations in the United States to illustrate how institutional resources can be revived, redeployed, reassembled, and elaborated to enact change.

Scott, W. Richard, Martin Ruef, Peter J. Mendel, and Carol A. Caronna. *Institutional Change and Healthcare Organizations: From Professional Dominance to Managed Care.* Chicago: University of Chicago Press, 2000.

One of the most comprehensive studies of an organizational field and how it has changed over time, highlighting the role of actors, logics, and governance structures. Focusing on the transformation of the health-care field in Northern California, the authors document key changes across three institutional eras: professional dominance (1945–1965), federal involvement (1966–1982), and managerial control and ascendancy of a market logic (post-1983).

Wooten, Melissa E., and Andrew J. Hoffman. "Organizational Fields: Past, Present and Future." In *The SAGE Handbook of Organizational Institutionalism*. Edited by Royston Greenwood, Christine Oliver, Kerstin Sahlin, and Roy Suddaby, 130–147. Thousand Oaks, CA: SAGE, 2008.

A review of the literature on organizational fields. The authors suggest lines for future development, including further research into the relationship between fields and intra-organizational dynamics, how and why organizations become involved in particular fields, and how fields form and evolve.

INSTITUTIONAL LOGICS

In Powell and DiMaggio 1991 (cited under Reference Resources), Friedland and Alford 1991 introduces the idea of institutional logics—bundles of symbolic and material elements tied to different institutional orders—that provide order and meaning to social life. The authors argue that since there are multiple institutional orders and logics, the possibilities for conflict and social change are always present. The empirical study of institutional logics commenced with a paper on logic transformation in the higher-education publishing industry (Thornton and Ocasio 1999). Since then, there have been a variety of studies on how competing logics shape practice variation (e.g., Lounsbury 2007), how attention to different logics may shift across time and space (Dunn and Jones 2010), and how rivalry between logics is managed (Reay and Hinings 2009). Another key development has to do with how individual organizations and their leaders manage institutional complexity—competing demands arising from multiple institutional logics impinging on an organization (Greenwood, et al. 2011). Amidst these developments, Thornton 2004 begins to flesh out a theory of institutional logics, and Thornton, et al. 2012 provides a comprehensive literature review and research agenda tied to what the authors call the institutional logics perspective. They develop microfoundations, providing a compelling approach to institutions and agency that emphasizes the development of cross-level, middle-range mechanisms. Research on institutional logics is the most vibrant area of contemporary development.

Dunn, Mary B., and Candace Jones. "Institutional Logics and Institutional Pluralism: The Contestation of Care and Science Logics in Medical Education, 1967–2005." *Administrative Science Quarterly* 55.1 (2010): 114–149.

An empirical study highlighting how the relationship of plural logics shifts over time, creating dynamic tensions that lead to shifts in the nature and balance of groups and interests tied to different logics.

Friedland, Roger, and Robert R. Alford. "Bringing Society Back In: Symbols, Practices, and Institutional Contradictions." In *The New Institutionalism in Organizational Analysis*. Edited by Walter W. Powell and Paul J. DiMaggio, 232–263. Chicago: University of Chicago Press, 1991.

A seminal paper that introduced the notion of institutional logics and offered a provisional theoretical architecture for the study of institutional logics. The authors also provide a critique of the study of organizational fields and provocatively argue for the need to bring societal considerations front and center when studying organizational phenomena.

Greenwood, Royston, Mia Raynard, Farah Kodeih, Evelyn R. Micelotta, and Michael Lounsbury. "Institutional Complexity and Organizational Responses." *Academy of Management Annals* 5.1 (2011): 317–371.

A review of the institutional-logics literature that focuses attention on how organizations respond to pressures stemming from multiple institutional logics—what the authors term institutional complexity. The authors also develop a novel model to guide research on the management of institutional complexity.

Lounsbury, Michael. "A Tale of Two Cities: Competing Logics and Practice Variation in the Professionalizing of Mutual Funds." *Academy of Management Journal* 50.2 (2007): 289–307.

An empirical study documenting how institutional logics can differ on the basis of geographical location, and showing how such spatial differences generate concomitant variation in firm behavior, decision making, and practice. The case of money manager professionalization and the development of mutual funds in the cities of Boston and New York is drawn upon to highlight these effects.

Reay, Trish, and C. Robert Hinings. "Managing the Rivalry of Competing Institutional Logics." *Organization Studies* 30.6 (2009): 629–652.

The authors show how competing institutional logics can coexist through the development of collaborative relationships that link logics. The authors identify several mechanisms related to collaboration that enable the rivalry of competing logics to be effectively managed.

Thornton, Patricia H. *Markets from Culture: Institutional Logics and Organizational Decisions in Higher Education Publishing*. Stanford, CA: Stanford University Press, 2004.

A detailed account of how changes in institutional logics fundamentally altered the practices and decision making of higher-education publishing firms. The book also provides a first attempt to systematize the study of institutional logics, by drawing on extant theory and research to develop ideal typical institutional logics tied to an array of institutional orders.

Thornton, Patricia H., and William Ocasio. "Institutional Logics and the Historical Contingency of Power in Organizations: Executive Succession in the Higher Education Publishing Industry, 1958–1990." *American Journal of Sociology* 105.3 (1999): 801–843.

A seminal article in the development of the institutional logics perspective tracking how a shift in logics led to changes in executive succession practices in higher education publishing firms. They combine interview data with historical analysis to identify how institutional logics changed, and employed event history modeling techniques to demonstrate how institutional logics affected different aspects of executive succession.

Thornton, Patricia H., William Ocasio, and Michael Lounsbury. *The Institutional Logics Perspective: A New Approach to Culture, Structure, and Process*. Oxford: Oxford University Press, 2012.

A programmatic statement of the institutional-logics perspective that reviews extant theory and research and develops new theory to guide future research. Emphasis is given to the study of cross-level effects, stability, and change in the interinstitutional system, the dynamics of identities and practices, and the emergence and evolution of field-level logics.

WORLD SOCIETY

While Meyer and Rowan 1977 (cited under Key Concepts and Themes) is probably one of John Meyer's most well-known pieces, over the years he cultivated a very powerful theoretical perspective on the dynamics and consequences of "World Society" with a variety of students and collaborators (see Jepperson 2002; for a collection of Meyer's writings, see Krücken and Drori 2009). This line of work has explored how a wide array of actors such as international nongovernmental associations, experts, and governing bodies construct appropriate beliefs, norms, and cultural models about actorhood and how modern states, organizations, and individuals should behave (for reviews and reflections, see Drori 2008 and Meyer 2008). Core emphases include the rationalization of social systems and the modernity themes of progress and justice that guide rationalization efforts. This more exclusively sociological variant of neo-institutional

theory provides an alternative approach to much theorizing in political science and sociology that seeks to explain, with realist, interest-based arguments, nation-state behavior and cross-national dynamics (Meyer, et al. 1997). There are a variety of empirical domains in which the world society perspective has been applied—from human rights, to the natural environment, to higher education and science (for a sampling, see Drori, et al. 2003 and Drori, et al. 2006).

Drori, Gili S. “Institutionalism and Globalization Studies.” In *The SAGE Handbook of Organizational Institutionalism*. Edited by Royston Greenwood, Christine Oliver, Kerstin Sahlin, and Roy Suddaby, 449–472. Thousand Oaks, CA: SAGE, 2008.

A review of the world society perspective in relation to globalization studies. Various propositions stemming from this body of work are distilled.

Drori, Gili S., John W. Meyer, and Hokyu Hwang, eds. *Globalization and Organization: World Society and Organizational Change*. Oxford: Oxford University Press, 2006.

An edited volume developed by John Meyer and his students. It addresses core issues related to the world society perspective, including attention to expanded global models of organized actors and organizational rationalization.

Drori, Gili S., John W. Meyer, Francisco O. Ramirez, and Evan Schofer. *Science in the Modern World Polity: Institutionalization and Globalization*. Stanford, CA: Stanford University Press, 2003.

An analysis of the globalization of scientific discourse and organization, and how it affects the structuring and functioning of nation-states. Emphasizing the cultural authority of science, the authors argue that science is integral to globalization and affects all aspects of economic and social life.

Jepperson, Ronald L. “The Development and Application of Sociological Neoinstitutionalism.” In *New Directions in Contemporary Sociological Theory*. Edited by Joseph Berger and Morris Zelditch Jr., 229–266. Lanham, MD: Rowman & Littlefield, 2002.

An overview of the new institutionalism variant developed by Meyer and students. Highlights theory and research on nation-states, individuals, and organizations in modern society.

Krücken, Georg, and Gili S. Drori, eds. *World Society: The Writings of John W. Meyer*. Oxford: Oxford University Press, 2009.

A collection of published papers and previously unpublished writings of John W. Meyer.

Meyer, John W. *Reflections on Institutional Theories of Organizations*. In *The SAGE Handbook of Organizational Institutionalism*. Edited by Royston Greenwood, Christine Oliver, Kerstin Sahlin, and Roy Suddaby, 790–812. Thousand Oaks, CA: SAGE, 2008.

A review of and rumination on the new institutionalism, with emphasis on the world society variant. It is argued that attention to practice variation and the interests and power of actors is misplaced because behavior is more fundamentally shaped by institutionally constructed practice models, modes of organizing, and notions of actorhood.

Meyer, John W., John Boli, George M. Thomas, and Francisco O. Ramirez. “World Society and the Nation-State.” *American Journal of Sociology* 103.1 (1997): 144–181.

An important article that develops core arguments about how nation-states are constructed as components of world society. The authors discuss how world society affects nation states and their properties, and how the dynamics of world society generate expansion, conflict, and change in nation-states and the more stateless world society order.

MEANINGS AND MEANING SYSTEMS

From its inception, neo-institutional scholars have been interested in the social construction and consequences of meaning systems, since they carry institutional prescriptions (Meyer and Rowan 1977, cited under Key Concepts and Themes) as well as facilitate social interaction and order. However, there is great variety in how meaning systems have been conceptualized and studied (see Zilber 2008 for a review). Some have argued that meaning systems are best uncovered and studied via discourse analysis (Phillips, et al. 2004; see Phillips and Malhotra 2008 for a review). Others have promoted the study of rhetoric (Suddaby and Greenwood 2005), stories (Lounsbury and Glynn 2001, cited under Legitimacy), vocabularies (Loewenstein, et al. 2012), and Institutional Logics. There is also variety in how studies are conducted. Some prefer to study meaning systems by tracking the interactions of people, using an ethnographic lens (e.g., Zilber 2002), while others have encouraged the use of historical archives to measure field-level meaning systems, by using relational techniques (e.g., Mohr 1998, Meyer and Höllerer 2010).

Loewenstein, Jeffrey, William Ocasio, and Candace Jones. “Vocabularies and Vocabulary Structure: A New Approach Linking Categories, Practices, and Institutions.” *Academy of Management Annals* 6.1 (2012): 41–86.

A wide-ranging review of research on vocabularies. The authors introduce the concept of *vocabulary structure* and provide a novel cross-level model to link macro and micro research on vocabularies. It is emphasized that attention to vocabularies can particularly enhance research on institutional logics.

Meyer, Renate E., and Markus A. Höllerer. “Meaning Structures in a Contested Issue Field: A Topographic Map of Shareholder Value in Austria.” *Academy of Management Journal* 53.6 (2010): 1241–1262.

The authors use correspondence mapping techniques to analyze qualitative discourse data, revealing the meaning structures—different institutional logics and framings—that were in play and emerged as shareholder value ideas and practices began to infiltrate into Austria. They show how legitimacy of foreign ideas and practices is fundamentally shaped by local cultural and structural opportunities and constraints.

Mohr, John W. “Measuring Meaning Structures.” *Annual Review of Sociology* 24 (1998): 345–370.

A review of structurally oriented research on institutional meaning systems that employs quantitative and network analytical techniques. The author discusses the drawbacks and benefits of more-structural approaches to the study of meaning.

Phillips, Nelson, Thomas B. Lawrence, and Cynthia Hardy. “Discourse and Institutions.” *Academy of Management Review* 29.4 (2004): 635–652.

An important article providing a novel discursive model for the study of institutional processes. Emphasizing the interrelationship among texts, discourse, institutions, and action, the authors theorize about the conditions under which institutionalization is more likely to occur.

Phillips, Nelson, and Namrata Malhotra. “Taking Social Construction Seriously: Extending the Discursive Approach in Institutional Theory.” In *The SAGE Handbook of Organizational Institutionalism*. Edited by Royston Greenwood, Christine Oliver, Kerstin Sahlin, and Roy Suddaby, 702–720. Thousand Oaks, CA: SAGE, 2008.

A review of discourse analysis as used in neo-institutional research. Echoing arguments forwarded by institutional-logics scholars, the authors argue that a discursive perspective can assist in understanding meanings and material practices as a duality, as well as bringing society back into neo-institutional research.

Suddaby, Roy, and Royston Greenwood. “Rhetorical Strategies of Legitimacy.” *Administrative Science Quarterly* 50.1 (2005): 35–67.

The authors explore the use of rhetoric in the creation of a new multidisciplinary partnership conjoining accounting and law professionals. Rhetorical strategies identified include the use of institutional vocabularies and several mechanisms by which change is theorized.

Zilber, Tammar B. “Institutionalization as an Interplay between Actions, Meanings, and Actors: The Case of a Rape Crisis Center in Israel.” *Academy of Management Journal* 45.1 (2002): 234–254.

An ethnographic study of institutionalization that attends to the microprocesses of how actions are infused with meanings, and how institutional meanings can provide political resources. The research site is a rape crisis center in Israel, where the author tracks how new meanings become embedded into originally feminist practices.

Zilber, Tammar B. “The Work of Meanings in Institutional Processes and Thinking.” In *The SAGE Handbook of Organizational Institutionalism*. Edited by Royston Greenwood, Christine Oliver, Kerstin Sahlin, and Roy Suddaby, 151–169. Thousand Oaks, CA: SAGE, 2008.

A review of how meanings have been studied in neo-institutional research. It is argued that more attention should be paid to the enactment of meanings as an ongoing process.

AGENCY AND INSTITUTIONAL PROCESS

While neo-institutional empirical research through the 1980s tended to focus on documenting isomorphism across a variety of settings, there was increasing disquiet about how agency was being theorized (see Critiques and Challenges). This was prominently catalyzed in DiMaggio 1988, a call to study “institutional entrepreneurship.” Subsequently, Oliver 1991 argues that more attention needs to be paid to how organizations strategically react to institutional pressures, theorizing a variety of responses. This led to discussions about the paradox of “embedded agency,” which has to do with the problem of how actors can innovate or foster institutional transformation and change if their beliefs and actions are fundamentally shaped by the institutional context within which they are embedded (Seo and Creed 2002). This has led to a wide variety of efforts to theorize agency in more-explicit ways. Some encouraged the study of how actors create, alter, and maintain institutions (e.g., Lawrence and Suddaby 2006). Others eschewed approaches that were more actor-centric and suggested that more attention needed to be paid to how the institutional context, and contradictions within that context, afforded opportunities for change (Clemens and Cook 1999). The discussion about appropriate microfoundations remains unresolved but is receiving growing attention (see, e.g., Barley and Tolbert 1997, Hallett and Ventresca 2006, and Powell and Colyvas 2008). Two main related streams of research on agency and institutional process have developed—institutional entrepreneurship and social movements.

Barley, Stephen R., and Pamela S. Tolbert. “Institutionalization and Structuration: Studying the Links between Action and

Institution.” *Organization Studies* 18.1 (1997): 93–117.

A theoretical article that compares neo-institutional and structuration theories in relation to the study of institutionalization processes. The authors argue that a twining of the two theoretical approaches may provide a fruitful avenue for developing the study of how institutions are created, altered, and reproduced.

Clemens, Elisabeth S., and James M. Cook. “Politics and Institutionalism: Explaining Durability and Change.” *Annual Review of Sociology* 25 (1999): 441–466.

A theoretical article that encourages a more historical approach to the study of institutional dynamics, focusing attention on the conditions that enable change efforts to be undertaken. Emphasizing the situatedness of actors, the authors argue that it is the presence of multiple institutional orders or alternatives that constitutes an opportunity for agency.

DiMaggio, Paul J. “Interest and Agency in Institutional Theory.” In *Institutional Patterns and Organizations: Culture and Environment*. Edited by Lynne G. Zucker, 3–21. Cambridge, MA: Ballinger, 1988.

The initial call for the study of institutional entrepreneurs. The author encourages more attention to the role of actors and their interests in the study of institutional processes.

Hallett, Tim, and Marc J. Ventresca. “Inhabited Institutions: Social Interactions and Organizational Forms in Gouldner’s *Patterns of Industrial Bureaucracy*.” *Theory and Society* 35.2 (2006): 213–236.

Harkening back to the old institutionalism, the authors argue for more attention to be paid to the interactions of people that inhabit institutions. In so doing, the case is made for integrating neo-institutional theory with symbolic interactionism.

Lawrence, Thomas B., and Roy Suddaby. “Institutions and Institutional Work.” In *The SAGE Handbook of Organizational Studies*. Edited by Stewart R. Clegg, Cynthia Hardy, Thomas B. Lawrence, and Water R. Nord, 215–254. London: SAGE, 2006.

A theoretical paper that proposes a focus on the study of how institutions are created, maintained, and altered—what the authors refer to as institutional work. The paper provides a detailed listing of mechanisms to guide research in this direction.

Oliver, Christine. “Strategic Responses to Institutional Processes.” *Academy of Management Review* 16.1 (1991): 145–179.

Challenging the dominant trope of institutional isomorphism, this theoretical article aims to redirect focus to how organizations might variously react to institutional pressures. The author develops a typology of strategic responses to institutional pressure that includes resistance and manipulation as well as conformity.

Powell, Walter W., and Jeannette A. Colyvas. “Microfoundations of Institutional Theory.” In *The SAGE Handbook of Organizational Institutionalism*. Edited by Royston Greenwood, Christine Oliver, Kerstin Sahlin, and Roy Suddaby, 276–298. Thousand Oaks, CA: SAGE, 2008.

The authors review different building blocks for the development of microfoundations for neo-institutional theory, including interaction rituals, ethnomethodology, performativity, and sense making. In doing so, they encourage a focus on everyday processes underlying the enactment, interpretation, and translation of institutions and wider cultural-meaning systems.

Seo, Myeong-Gu, and W. E. Douglas Creed. “Institutional Contradictions, Praxis, and Institutional Change: A Dialectical Perspective.” *Academy of Management Review* 27.2 (2002): 222–247.

An early statement on the paradox of embedded agency. The authors develop a framework for the study of institutional change that focuses on institutional contradictions and human praxis.

INSTITUTIONAL ENTREPRENEURSHIP

Building on the call to study institutional entrepreneurship in DiMaggio 1988 (cited under Agency and Institutional Process), a variety of scholars began studying how actors change institutions (for reviews, see Battilana, et al. 2009 and Hardy and Maguire 2008). An important focus in this literature has been on the role of actors in developing practice models that then facilitate institutional change or the flow of new practices in a field. For instance, DiMaggio 1991 shows how museum professionals constructed a practice model tied to fine-arts higher education to restructure museums to become less exclusive and wrest control away from upper-class elites. Extending the insights in Strang and Meyer 1993, Greenwood, et al. 2002 shows how regulatory agencies such as professional associations can enable the spread of new practices, by theorizing how such practices solve a pressing problem. Scholarly attention has also been paid to who can act as institutional entrepreneurs and what they do. Greenwood and Suddaby 2006 (cited under Organizational Field) documents how central actors can catalyze change, while Maguire, et al. 2004 emphasizes the role that more-marginal or lower-status actors can play. Munir and Phillips 2005 develops a typology of strategies that institutional entrepreneurs use. Greenwood, et al. 2008 (cited under Legitimacy) argues that “institutional entrepreneurship” became synonymous with the study of “institutional change” by the late 1990s and became somewhat of a cottage industry of research in the early 21st century. However, one of the main critiques of this literature is that it has glorified the role of prominent actors, providing overly simplified depictions of institutional-change processes. This criticism has gained traction, leading to a shift toward more-distributed approaches to agency and an engagement with scholarship on practice, which is an important emerging area of new research (Lounsbury and Crumley 2007).

Battilana, Julie, Bernard Leca, and Eva Boxenbaum. “How Actors Change Institutions: Towards a Theory of Institutional Entrepreneurship.” *Academy of Management Annals* 3.1 (2009): 65–107.

The authors review the literature on institutional entrepreneurship and propose a process model to guide future inquiry. They highlight different stages of institutional entrepreneurship, from emergence through implementation of change-oriented efforts.

DiMaggio, Paul J. “Constructing an Organizational Field as a Professional Project: U.S. Art Museums, 1920–1940.” In *The New Institutionalism in Organizational Analysis*. Edited by Walter W. Powell and Paul J. DiMaggio, 267–292. Chicago: University of Chicago Press, 1991.

An early empirical article on institutional entrepreneurship. Focusing on the professionalization of museums, the author highlights how interests are connected to different practice models, and how they underlie the political dynamics of institutional change.

Greenwood, Royston, C. Robert Hinings, and Roy Suddaby. “Theorizing Change: The Role of Professional Associations in the Transformation of Institutionalized Fields.” *Academy of Management Journal* 45.1 (2002): 58–80.

An early empirical article on theorization processes. Focusing on the construction of multidisciplinary professional-service firms, the authors highlight how central actors in a field played a key role in transforming institutionalized practices.

Hardy, Cynthia, and Steve Maguire. “Institutional Entrepreneurship.” In *The SAGE Handbook of Organizational Institutionalism*. Edited by Royston Greenwood, Christine Oliver, Kerstin Sahlin, and Roy Suddaby, 198–217. Thousand Oaks,

CA: SAGE, 2008.

A review of the literature on institutional entrepreneurship. The authors discuss the types of actors that have been identified as acting as institutional entrepreneurs, as well as the conditions that enable institutional entrepreneurship to occur.

Lounsbury, Michael, and Ellen T. Crumley. "New Practice Creation: An Institutional Perspective on Innovation." *Organization Studies* 28.7 (2007): 993–1012.

Bridging the literatures on neo-institutional theory and practice, the authors develop a process model of how practice variation can generate dramatic institutional change. Drawing on the case of the professionalization of money managers in the mutual fund industry, a distributed approach to agency is illustrated and advanced.

Maguire, Steve, Cynthia Hardy, and Thomas B. Lawrence. "Institutional Entrepreneurship in Emerging Fields: HIV/AIDS Treatment Advocacy in Canada." *Academy of Management Journal* 47.5 (2004): 657–679.

An empirical study of how more-peripheral actors can act as institutional entrepreneurs. The intriguing case of HIV/AIDS treatment activism is used to detail the mechanisms by which marginal actors can catalyze institutional change.

Munir, Kamal A., and Nelson Phillips. "The Birth of the 'Kodak Moment': Institutional Entrepreneurship and the Adoption of New Technologies." *Organization Studies* 26.11 (2005): 1665–1687.

The authors draw on the case of how Kodak acted as an institutional entrepreneur in helping to make photography as a mass, everyday activity. Discourse analytic methods are used, and a typology of institutional entrepreneurial strategies is developed.

Strang, David A., and John W. Meyer. "Institutional Conditions for Diffusion." *Theory and Society* 22.4 (1993): 487–511.

The initial statement on the concept of theorization. The authors argue that the theorization of an abstract practice model is crucial to the eventual diffusion of practices.

SOCIAL MOVEMENTS

Debates about agency and institutional process also catalyzed a parallel stream of work that drew upon the social-movements literature in sociology and political science to theorize and document how collective action relates to institutional change (see Schneiberg and Lounsbury 2008 for a review). For instance, Davis and Thompson 1994 shows how shareholder activists helped to transform corporate governance. Fligstein 1996 argues that social-movement analysis can provide insights into how markets and fields are created and transformed. Schneiberg and Bartley 2001 shows how social-movement activity can help alter the governance of markets. Lounsbury, et al. 2003 shows how movements can transform the cultural meaning of markets, enabling new industry practices to become established. Rao, et al. 2003 highlights how movements can transform fields by introducing new logics and altering role identities. King and Soule 2007 documents how movement activists can effectively challenge corporations. Davis, et al. 2005 provides a range of papers at the interface of literatures on social movements and organizations, which have set the stage for more-recent work on the topic.

Davis, Gerald F., Doug McAdam, W. Richard Scott, and Mayer N. Zald, eds. *Social Movements and Organization Theory*. Cambridge Studies in Contentious Politics. New York: Cambridge University Press, 2005.

An edited volume exploring the rich interface between the study of social movements and organizational theory. Included are many chapters that deal directly with social movements and neo-institutional theory.

Davis, Gerald F., and Tracy A. Thompson. "A Social Movement Perspective on Corporate Control." *Administrative Science Quarterly* 39.1 (1994): 141–173.

Focusing on the rise of shareholder activism and corporate control, the authors highlight the utility of social-movement theory to understanding organizational change.

Fligstein, Neil. "Markets as Politics: A Political-Cultural Approach to Market Institutions." *American Sociological Review* 61.4 (1996): 656–673.

Drawing on social-movement ideas, the author develops several propositions about how political processes affect markets at different stages of development. In doing so, a sociological model of action is advanced in which market participants aim to create stable social worlds where the rules of competition are well understood and abided.

King, Brayden G., and Sarah A. Soule. "Social Movements as Extra-institutional Entrepreneurs: The Effect of Protests on Stock Price Returns." *Administrative Science Quarterly* 52.3 (2007): 413–442.

The authors use social-movement theory to study how the activism of secondary stakeholders can affect the stock price of corporations. They show that corporate protests are more influential when they generate media coverage by targeting issues dealing with critical stakeholder groups such as labor or consumers.

Lounsbury, Michael, Marc J. Ventresca, and Paul M. Hirsch. "Social Movements, Field Frames and Industry Emergence: A Cultural–Political Perspective on US Recycling." *Socio-Economic Review* 1.1 (2003): 71–104.

Drawing on social-movement theory, the authors show how recycling practices, initially marginalized, became institutionalized. The concept of field frame is developed to highlight how the status of practices is bound up in cultural categories.

Rao, Hayagreeva, Philippe Monin, and Rodolphe Durand. "Institutional Change in Toque Ville: Nouvelle Cuisine as an Identity Movement in French Gastronomy." *American Journal of Sociology* 108.4 (2003): 795–843.

An empirical article tracking how social-movement mobilization led to the rise of nouvelle cuisine in France. The authors track how individual chefs shifted their identities between haute and nouvelle cuisines as nouvelle cuisine gained prominence.

Schneiberg, Marc, and Tim Bartley. "Regulating American Industries: Markets, Politics, and the Institutional Determinants of Fire Insurance Regulation." *American Journal of Sociology* 107.1 (2001): 101–146.

The authors document how interest group mobilization by farmers and small businesses challenged big business and shaped fire insurance regulation and governance. They develop a theory of how political and institutional conditions delimit available options for industry governance.

Schneiberg, Marc, and Michael Lounsbury. "Social Movements and Institutional Analysis." In *The SAGE Handbook of Organizational Institutionalism*. Edited by Royston Greenwood, Christine Oliver, Kerstin Sahlin, and Roy Suddaby, 650–672. Thousand Oaks, CA: SAGE, 2008.

A review of how social-movement theory has been used to enhance research on neo-institutional theory. In addition to discussing research on how movements challenge and contribute to the creation and alteration of institutions, the authors highlight how fields provide contexts for movements, and they lay out a variety of directions for future research.

TRANSLATION

The study of translation is associated with Scandinavian institutionalism (Czarniawska-Joerges and Sevón 1996) and has to do with how ideas get transmuted and edited as they flow and become instantiated in particular contexts (see Sahlin and Wedlin 2008 for a review). Translation processes are most vivid when looking at the flow of ideas and practices across countries (e.g., Boxenbaum 2006, Djelic 1998, Zilber 2006). Meyer 2008 argues that there is much to be gained by bringing together the translation literature with the wider array of institutionalisms in North America and Europe to forge a new sociology-of-knowledge perspective.

Boxenbaum, Eva. "Lost in Translation: The Making of Danish Diversity Management." *American Behavioral Scientist* 49.7 (2006): 939–948.

An empirical investigation of how Danish business people translated the American practice of diversity management. The author argues that translation is a multilevel process that requires attention to individual preferences, strategy, and other local norms and beliefs.

Czarniawska-Joerges, Barbara, and Guje Sevón, eds. *Translating Organizational Change*. De Gruyter Studies in Organization 56. Berlin and New York: de Gruyter, 1996.

An important edited volume bringing together papers on the spread of managerial techniques and ideas in organizations. Special attention is given to the role of identity, rules, and institutionalization.

Djelic, Marie-Laure. *Exporting the American Model: The Post-war Transformation of European Business*. Oxford: Oxford University Press, 1998.

A detailed account of how the American corporate model spread into postwar France, West Germany, and Italy. The author highlights how the translation of this model involved considerable resistance and adaptation, and she observes different outcomes of model instantiation across the three countries.

Meyer, Renate E. "New Sociology of Knowledge: Historical Legacy and Contributions to Current Debates in Institutional Research." In *The SAGE Handbook of Organizational Institutionalism*. Edited by Royston Greenwood, Christine Oliver, Kerstin Sahlin, and Roy Suddaby, 519–538. Thousand Oaks, CA: SAGE, 2008.

A review of sociology-of-knowledge ideas that underpin neo-institutional research. A provocative call is made to reengage sociology-of-knowledge approaches in the phenomenological tradition to cultivate a richer neo-institutional approach to knowledge construction processes.

Sahlin, Kerstin, and Linda Wedlin. "Circulating Ideas: Imitation, Translation and Editing." In *The SAGE Handbook of Organizational Institutionalism*. Edited by Royston Greenwood, Christine Oliver, Kerstin Sahlin, and Roy Suddaby, 218–242. Thousand Oaks, CA: SAGE, 2008.

A review of Scandinavian institutional research on translation, in the context of the circulation of ideas. The authors address a variety of aspects of this research, including flows, carriers, and editors of ideas, as well as the role of prototypes and templates, including those

embedded in soft law and governance.

Zilber, Tammar B. “The Work of the Symbolic in Institutional Processes: Translations of Rational Myths in Israeli Hi Tech.” *Academy of Management Journal* 49.2 (2006): 281–303.

An empirical study of a high-technology bubble in Israel. Conceptualizing institutional dynamics as a translation process, the author tracks how translations shift across time and space.

CATEGORIZATION

A focus on categories and categorization processes has become increasingly important in neo-institutional analysis. Categories provide key cultural elements that facilitate order in social systems, by grouping similar actors or practices into distinct clusters and by creating shared understandings about what is appropriate behavior for category members. Research has focused on the effects of categories as well as category emergence and change. Zuckerman 1999 shows how firms that operate across categories generate ambiguity and get sanctioned. Hsu 2006 probes the conditions under which category spanning is problematic. Lounsbury and Rao 2004 highlights how categories can be transformed as members deviate from category norms and create variance in practices. Rao, et al. 2005 shows how category boundaries can erode as actors cross them with greater frequency. Ruef and Patterson 2009 documents how a classification system changes over time, and Kennedy 2008 studies how new categories emerge via media recognition. For a more recent collection of writings on categorization processes, see Hsu, et al. 2010.

Hsu, Greta. “Jacks of All Trades and Masters of None: Audiences’ Reactions to Spanning Genres in Feature Film Production.” *Administrative Science Quarterly* 51.3 (2006): 420–450.

In a study of how audiences reacted to different kinds of movies, the drawbacks of category spanning are explored. The author shows that movies that span multiple genres may attract wider audiences but are less appealing to audiences than films targeting a particular genre.

Hsu, Greta, Giacomo Negro, and Özgecan Koçak, eds. *Categories in Markets: Origins and Evolution*. Research in the Sociology of Organizations 31. Bingley, UK: Emerald, 2010.

An edited volume that brings together a diverse set of category scholars bridging theories of neo-institutional and organizational ecology. Contributors address categorization dynamics in relation to identity, organizational forms, institutional logics, frames, and a variety of kinds of category schemes.

Kennedy, Mark T. “Getting Counted: Markets, Media, and Reality.” *American Sociological Review* 73.2 (2008): 270–295.

In a study of the emergence of the workstation market, the author draws attention to the fact that new markets often form around “misfits”—firms that are assumed to be overlooked or sanctioned because they do not fit into established categories. The role of media coverage and the use of press releases by firms are explored to theorize how such misfits can become a recognized market category.

Lounsbury, Michael, and Hayagreeva Rao. “Sources of Durability and Change in Market Classifications: A Study of the Reconstitution of Product Categories in the American Mutual Fund Industry, 1944–1985.” *Social Forces* 82.3 (2004): 969–999.

A study of how categories can be reformulated. The authors show how in the mutual fund industry, changes to product categories were catalyzed by growth in variation among products in a category.

Rao, Hayagreeva, Philippe Monin, and Rodolphe Durand. “Border Crossing: Bricolage and the Erosion of Categorical Boundaries in French Gastronomy.” *American Sociological Review* 70.6 (2005): 968–991.

The authors examine how categorical boundaries weaken as high-status actors in a category borrow elements from adjacent or opposing categories. Focusing on the field of French gastronomy, the authors show that penalties associated with such category crossing decline as the extent of borrowing across categories increases.

Ruef, Martin, and Kelly Patterson. “Credit and Classification: The Impact of Industry Boundaries in Nineteenth-Century America.” *Administrative Science Quarterly* 54.3 (2009): 486–520.

In a study of the credit rating schema of R. G. Dun & Company, the authors argue that membership across multiple categories may not be problematic when classification systems are emergent or in flux. However, it is shown that the sanctioning of category crossers may still occur when broader norms about appropriate category crossing are violated.

Zuckerman, Ezra W. “The Categorical Imperative: Securities Analysts and the Illegitimacy Discount.” *American Journal of Sociology* 104.5 (1999): 1398–1438.

An important article that documents how crossing multiple categories leads to sanctions. Focusing on the role of securities analysts, the author empirically shows that shares of corporations that operated across multiple categories were negatively affected by the inattention of analysts.

CRITIQUES AND CHALLENGES

Neo-institutional theory has been criticized extensively. Perrow 1986 argues that it largely ignores “power,” especially the power of large corporations. Donaldson 1995 (pp. 79–128) provides a trenchant critique of neo-institutional theory, from the perspective of a structural-contingency theorist. The authors of Cooper, et al. 2008 complain that neo-institutional theory has a conservative bias, and they urge more engagement with critical theories. Mizruchi and Fein 1999 documents how much neo-institutional research has a claimed focus on mimesis, to the relative exclusion of coercive and normative pressures, even though the mechanisms being captured by empirical indicators used are ambiguous. One of the most sustained critiques stems from the “line in the sand” drawn in DiMaggio and Powell 1991 (cited under Key Concepts and Themes) between the “old” and “new” institutionalisms. The authors argued that while the “old” focused on organizational adaptation, values, and politics, the “new” emphasized symbolic systems, cognition, and the conformity of organizations to their institutional contexts. Greenwood and Hinings 1996 and Hirsch and Lounsbury 1997 complain that the rhetorical segregation of the old and new institutionalisms was misguided and that bridges should be built between the two. Both papers emphasize the need to connect wider institutional dynamics to intra-organizational processes. In line with these critiques, Barley 2008 reviews old institutionalist work related to the old Chicago school and argues that symbolic interactionism provides a fruitful microsociology and way to bring the study of work back into neo-institutional analysis. In a direct challenge to the predictions of neo-institutional theory, Kraatz and Zajac 1996 shows how highly institutionalized organizations can successfully change and adapt. Neo-institutional theory has shown remarkable resilience in absorbing critiques by expanding its scope to address blind spots—in a sense, such critiques have made the theory stronger and have enabled researchers to shift their focus of inquiry to progressively contribute to knowledge.

Barley, Stephen R. “Coalface Institutionalism.” In *The SAGE Handbook of Organizational Institutionalism*. Edited by Royston Greenwood, Christine Oliver, Kerstin Sahlin, and Roy Suddaby, 491–518. Thousand Oaks, CA: SAGE, 2008.

A review of old institutionalist thought in the tradition of the old Chicago school. The author argues that the social interactionism that

underpinned this line of work can provide a fruitful starting point for the development of neo-institutional scholarship on microprocesses.

Cooper, David J., Mahmoud Ezzamel, and Hugh Willmott. “Examining ‘Institutionalization’: A Critical Theoretic Perspective.” In *The SAGE Handbook of Organizational Institutionalism*. Edited by Royston Greenwood, Christine Oliver, Kerstin Sahlin, and Roy Suddaby, 673–701. Thousand Oaks, CA: SAGE, 2008.

The authors compare neo-institutional and critical theories, highlighting how critical theories provide more capacity to question how extant social arrangements lead to oppression as well as emancipatory possibilities. Drawing on the works of Foucault, neo-institutional theory is criticized for its pompous claims to universalism despite the fact that it reflects a conventional, value-oriented form of power/knowledge.

Donaldson, Lex. *American Anti-management Theories of Organization: A Critique of Paradigm Proliferation*. Cambridge Studies in Management 25. Cambridge, UK: Cambridge University Press, 1995.

In an effort to build a strong case for the utility of structural-contingency theory in addressing organizational structure, Donaldson provides a detailed critique of a variety of paradigms in organization theory—population ecology, neo-institutionalism, resource dependence, and organizational economics. He refers to these as antimanagement theories in the sense that their explanatory focus denies managers’ agency or turns away from a focus on managerial practice.

Greenwood, Royston, and C. Robert Hinings. “Understanding Radical Organizational Change: Bringing Together the Old and the New Institutionalism.” *Academy of Management Review* 21.4 (1996): 1022–1054.

The authors criticize neo-institutional research for neglecting the study of how organizations are able to adapt and undergo radical change. They draw on the old institutionalism to encourage research that connects the study of wider institutional dynamics to intra-organizational processes.

Hirsch, Paul M., and Michael Lounsbury. “Ending the Family Quarrel: Toward a Reconciliation of ‘Old’ and ‘New’ Institutionalisms.” *American Behavioral Scientist* 40.4 (1997): 406–418.

A critique of the effort by prominent neo-institutionalists, particularly the authors of DiMaggio and Powell 1991 (cited under Key Concepts and Themes), to dismiss the value of the old institutionalism. The authors argue that integrating the new and old institutionalisms is vital to understanding issues of power and the dynamics of organizations.

Kraatz, Mathew S., and Edward J. Zajac. “Exploring the Limits of the New Institutionalism: The Causes and Consequences of Illegitimate Organizational Change.” *American Sociological Review* 61.5 (1996): 812–836.

An empirical article that challenges core arguments of neo-institutional theory with regard to its predictions related to legitimacy, organizational inertia, and institutional isomorphism. Drawing on an analysis of liberal-arts colleges where strong institutional pressures should have hindered organizational change, the authors document how schools become more heterogeneous over time, and that seemingly “illegitimate” changes did not lead to penalties.

Mizruchi, Mark S., and Lisa C. Fein. “The Social Construction of Organizational Knowledge: A Study of the Uses of Coercive, Mimetic, and Normative Isomorphism.” *Administrative Science Quarterly* 44.4 (1999): 653–683.

A review of neo-institutional empirical articles, showing that DiMaggio and Powell 1983 (cited under Key Concepts and Themes), an

essay on institutional isomorphism, has been selectively drawn upon to focus on mimesis while virtually neglecting the study of coercive and normative forms of isomorphism. The authors further show that higher-status scholars were more likely to perpetuate this selective appropriation.

Perrow, Charles. *Complex Organizations: A Critical Essay*. 3d ed. New York: McGraw-Hill, 1986.

A dated but classic assessment and critique of various organizational theories, including neo-institutionalism. The critique of neo-institutional theory is direct and biting, emphasizing the need to account for powerful actors.

Interfaces

Greenwood, et al. 2008 (cited under Legitimacy) suggests that over time, neo-institutional theory has experienced a broadening scope and diversity of ideas because of its successful juxtaposition and integration with other theoretical perspectives. These interfaces include not only other dominant organizational-theory paradigms such as resource dependence, organizational ecology, and networks, but a wide variety of theories and empirical focal points that cross diverse literatures in management, sociology, political science, psychology, economics, law and society, and policy studies.

RESOURCE DEPENDENCE AND NEO-INSTITUTIONAL THEORY

One of the critiques of neo-institutional theory research is that it is often hard to adjudicate between claims that organizations adopt practices or engage in behaviors due to legitimacy versus resource dependence. Building on earlier exchange theories of power, resource dependence theory focuses attention on how organizations strategically seek to control their environments in order to access critical resources to survive (see Aldrich 1979 and Pfeffer and Salancik 1978). While gaining legitimacy also yields resource and survival benefits, the rationale underlying legitimacy attainment is less instrumental, emphasizing more the need for organizations to conform to institutionalized norms and beliefs in order to appear appropriate for a given organizational form or category, thus reducing ambiguity about a focal organization. Tolbert 1985 was one of the first studies to try to empirically evaluate the different underlying mechanisms of resource dependence and neo-institutional theory, showing how institutional processes condition when organizations will engage in strategic efforts to ensure a stable flow of resources from external sources of support. However, over time, researchers began to increasingly conflate neo-institutional and resource dependence theories, focusing on the strategic aspects of legitimacy attainment and how organizations react to institutional pressures (e.g., Oliver 1991; also see Rao 1994 and Lounsbury and Glynn 2001, cited under Legitimacy). This line of work has been influential in bridging neo-institutional theory with the fields of strategy. For instance, building on Oliver 1991, Goodstein 1994 and Ingram and Simons 1995 examine how organizations strategically react to work-family issues.

Aldrich, Howard E. *Organizations and Environments*. Englewood Cliffs, NJ: Prentice-Hall, 1979.

Provides a historically oriented perspective on organizations and their environments that integrates concepts and findings across multiple disciplines. It includes a wide-ranging review and analysis of organizational research on bureaucracy, contingency theory, and population ecology, and on how organizations manage interorganizational relationships and resource dependence.

Goodstein, Jerry D. "Institutional Pressures and Strategic Responsiveness: Employer Involvement in Work-Family Issues." *Academy of Management Journal* 37.2 (1994): 350–382.

A study of how employers strategically responded to institutional pressures regarding work and family issues. Building on Oliver 1991, the author finds that strategic responses were motivated by five aspects of institutional pressure—cause, constituents, content, control, and context.

Ingram, Paul L., and Tal Simons. "Institutional and Resource Dependence Determinants of Responsiveness to Work-Family Issues." *Academy of Management Journal* 38.5 (1995): 1466–1482.

Extending Oliver 1991 and Goodstein 1994, the authors study adoption of work-family programs, by using a large-scale sample of organizations. They find that institutional pressures as well as demands for work-family programs from important exchange partners were crucial in predicting program adoption.

Oliver, Christine. "Strategic Responses to Institutional Processes." *Academy of Management Review* 16.1 (1991): 145–179.

The author incorporates resource dependence theory with institutional theory, offering a highly influential framework to guide research on how and under which circumstances organizations might accommodate or resist institutional pressures.

Pfeffer, Jeffrey and Gerald Salancik. *The External Control of Organizations: A Resource Dependence Perspective*. New York: Harper and Row, 1978.

The seminal book that developed initial theory and research directions for the resource dependence perspective. The authors suggest that organization can strategically manage external dependencies via mergers and vertical integration, joint ventures and other inter-organizational relationships, careful selection of directors for their boards, political action of various sorts, and executive succession.

Tolbert, Pamela S. "Institutional Environments and Resource Dependence: Sources of Administrative Structure in Institutions of Higher Education." *Administrative Science Quarterly* 30.1 (1985): 1–13.

The compatibility of resource dependence and institutional theories is examined in a study of how higher-education organizations structure their funding offices. The author argues that institutional forces mediate the impact of resource dependence on the structure of organizations.

IDENTITY AND NEO-INSTITUTIONAL THEORY

While research on organizational identity initially focused on the central, distinctive, and enduring attributes of individual organizations (Albert and Whetten 1985), scholarly efforts at the interface of organizational identity and neo-institutionalism have produced a more sophisticated understanding of how organizations may be able to maintain some sort of distinctiveness while at the same time appearing isomorphic with their institutional contexts—and therefore being perceived as legitimate (for a review, see Glynn 2008). Pedersen and Dobbin 2006 suggests that the broader institutional environment provides a kind of grammar of legitimate identity markers from which organizations can choose, and while they enable organizations to appear similar, these symbolic elements can be tailored at the organizational level to also invoke uniqueness. Nonetheless, there is a fundamental tension between pressures for conformity to institutions and the desire to be somewhat distinctive that pervades this interface. Glynn and Abzug 2002 demonstrates how identities were institutionally constructed, in the authors' study of how organizational name changes drew from institutionally available naming conventions. Several scholars have examined the relationship between institutional shifts and organizational identities. Elsbach and Kramer 1996 highlights how institutional pressures stemming from the emergence of business school rankings threaten organizational identities and stimulate strategic responses to defend business school uniqueness. Rao, et al. 2003 (cited under Social Movements) shows how the rise of a nouvelle cuisine logic in France enabled the creation of a wider variety of French chef identities. There is also some work on the construction of organizational and collective identities such as organizational forms. Czarniawska and Wolff 1998 focuses on how new identities are constructed in established organizational fields. Weber, et al. 2008 shows how a new collective identity around grass-fed beef emerged as social codes were mobilized across a disparate array of actors. Wry, et al. 2011 draws on the idea of cultural entrepreneurship to theorize the conditions under which the collective identity of a nascent entrepreneurial group is more

likely to be legitimated. This stream of work is still in a nascent stage of development and continues to provide an exciting frontier for future research.

Albert, Stuart, and David A. Whetten. "Organizational Identity." *Research in Organizational Behavior* 7 (1985): 263–295.

A seminal statement on organizational identity that helped to spawn a community of identity researchers. The authors defined organizational identity as the central, distinctive, and enduring characteristics of an organization.

Czarniawska, Barbara, and Rolf Wolff. "Constructing New Identities in Established Organization Fields: Young Universities in Old Europe." In *Special Issue: Corporate Image and Identity Management. International Studies of Management & Organization* 28.3 (1998): 32–56.

A comparative case study of how two new European universities constructed their identities. Combining insights from neo-institutional and identity theories, the authors conceptualize identity construction as an ongoing process requiring a balancing of institutional demands for conformity with the unique mission of an organization.

Elsbach, Kimberly D., and Roderick M. Kramer. "Members' Responses to Organizational Identity Threats: Encountering and Countering the *Business Week* Rankings." *Administrative Science Quarterly* 41.3 (1996): 442–476.

An empirical study of how organizations respond to institutional pressures that threaten their identities. Focusing on how top business schools responded to *Business Week* rankings of US business schools, the authors develop a new framework of organizational identity management.

Glynn, Mary Ann. "Beyond Constraint: How Institutions Enable Identities." In *The SAGE Handbook of Organizational Institutionalism*. Edited by Royston Greenwood, Christine Oliver, Kerstin Sahlin, and Roy Suddaby, 413–430. Thousand Oaks, CA: SAGE, 2008.

A review of research at the interface between organizational identity and neo-institutional theory. The author categorizes attribute-based, strategic, and institutional approaches to organizational identity in the literature and proposes directions for future research on institutions and identity.

Glynn, Mary Ann, and Rikki Abzug. "Institutionalizing Identity: Symbolic Isomorphism and Organizational Names." *Academy of Management Journal* 45.1 (2002): 267–280.

An empirical study of how organizational identity is institutionally conditioned. Focusing on the study of corporate names, the authors show how institutional conformity shapes organizational identities, and how names that articulate with institutional norms facilitate legitimacy.

Pedersen, Jesper S., and Frank Dobbin. "In Search of Identity and Legitimation: Bridging Organizational Culture and Neoinstitutionalism." *American Behavioral Scientist* 49.7 (2006): 897–907.

The authors explore the tension between institutional conformity and the distinctiveness associated with organizational identity. It is argued that conformity and distinctiveness can be pursued simultaneously and that organizations can bridge the two apparently opposed pressures via imitation, hybridization, transmutation, and immunization.

Weber, Klaus, Kathryn L. Heinze, and Michaela DeSoucey. “Forage for Thought: Mobilizing Codes in the Movement for Grass-Fed Meat and Dairy Products.” *Administrative Science Quarterly* 53.3 (2008): 529–567.

An empirical study of how various actors constructed a collective identity around grass-fed meat and dairy products. Combining ideas from the neo-institutional, identity, and social-movement literatures, the authors show how broad cultural codes are mobilized to motivate producers to enter and persist in a nascent collective identity and market.

Wry, Tyler, Michael Lounsbury, and Mary Ann Glynn. “Legitimizing Nascent Collective Identities: Coordinating Cultural Entrepreneurship.” *Organization Science* 22.2 (2011): 449–463.

The authors combine literatures on neo-institutional, identity, and cultural entrepreneurship to theorize the processes by which new collective identities become legitimate. A number of propositions are generated to guide future research in this domain.

ORGANIZATIONAL ECOLOGY AND NEO-INSTITUTIONAL THEORY

In contrast to neo-institutional theory's early emphasis on isomorphism, population ecology's initial formulation focused on why there were so many different kinds of organizations (Hannan and Freeman 1977). Organizational ecologists developed a very elegant, abstract, and generalizable approach to the study of organizational populations, highlighting how the growth and decline of populations affected the founding of new organizations and the mortality of extant ones. These dynamics were conceptualized to be driven mainly by competition over resources. In addition, survival rates have been shown to be affected by factors such as organizational demographics (e.g., age and size) and organizational form (“specialist” vs. “generalist”), as well as major social and political events (see Carroll and Hannan 2004 for a review). Sharing with neo-institutional theory an emphasis on the power of organizational environments, there were a variety of efforts over the years to find complementarities among the perspectives (see Haveman and David 2008). For instance, ecologists sought to incorporate culture into their models, by borrowing the notion of “legitimacy” from neo-institutionalists and by arguing that the rising density of an organizational population is a proxy for legitimation of an organizational form. However, this led to a variety of critiques that argued that legitimation must be studied as a historical process and that it should be captured in a finer-grained manner—ideally by tracking shifts in cultural meanings that indicate legitimacy (see, e.g., Baum and Powell 1995). Nonetheless, there have been a variety of studies at this interface—referred to as institutional ecology. For example, Baum and Oliver 1991 tracks how institutional linkages shape mortality processes in an organizational population. Haveman 1993 shows how new market entry is facilitated by mimetic isomorphism, and Haveman and Rao 1997 tracks how the rise of Progressive thought in the early 20th century reshaped the savings-and-loan population. Ruef 2000 shows how the creation of new health-care organizational forms is institutionally shaped by talk about the potential for new kinds of organizations to solve health-care problems. More recently, efforts to combine institutional and ecological thought and research have shifted away from the study of organizational vital rates and events in this vein, and toward the study of categorization processes (see Categorization).

Baum, Joel A. C., and Christine Oliver. “Institutional Linkages and Organizational Mortality.” *Administrative Science Quarterly* 36.2 (1991): 187–218.

An empirical study of how an organization's association with high status alters provides legitimacy and enhances survival rates. The authors marshal evidence from child care service organizations to support their arguments, which combine neo-institutional theory with organizational ecology.

Baum, Joel A. C., and Walter W. Powell. “Cultivating an Institutional Ecology of Organizations: Comment on Hannan, Carroll, Dundon, and Torres.” *American Sociological Review* 60.4 (1995): 529–538.

A commentary that provocatively criticizes organizational ecologists for not taking the institutionalist concept of legitimacy more

seriously. The authors claim that the ecological approach is ahistorical, and they call for the development of a more process-oriented approach to institutional ecology.

Carroll, Glenn R., and Michael T. Hannan. *The Demography of Corporations and Industries*. Princeton, NJ: Princeton University Press, 2004.

Provides a definitive overview and restatement of organizational-ecology theory. The book reviews theory, models, methods, and data used in this tradition.

Hannan, Michael T., and John Freeman. "The Population Ecology of Organizations." *American Journal of Sociology* 82.5 (1977): 929–964.

The seminal paper that introduced the population ecology approach to organizations. The authors proposed an alternative to the adaptation theory of organizations that dominated the literature as of the early 1970s, stressing a focus on organizational inertia, and competition and selection in populations of organizations.

Haveman, Heather A. "Follow the Leader: Mimetic Isomorphism and Entry into New Markets." *Administrative Science Quarterly* 38.4 (1993): 593–627.

An empirical study of how entry into a new market can be understood as an imitation process. Combining neo-institutional theory and organizational ecology in the context of savings and loans, the author finds that new market entry is driven by imitation of large, profitable organizations.

Haveman, Heather A., and Robert J. David. "Ecologists and Institutionalists: Friends or Foes?" In *The SAGE Handbook of Organizational Institutionalism*. Edited by Royston Greenwood, Christine Oliver, Kerstin Sahlin, and Roy Suddaby, 573–595. Thousand Oaks, CA: SAGE, 2008.

The authors provide a review of research at the interface of neo-institutional theory and organizational ecology. They argue that the perspectives are complementary, and highlight future research directions.

Haveman, Heather A., and Hayagreeva Rao. "Structuring a Theory of Moral Sentiments: Institutional and Organizational Coevolution in the Early Thrift Industry." *American Journal of Sociology* 102.6 (1997): 1606–1651.

The authors combine neo-institutional and ecological theories to explore how a shift in logics enabled a concomitant change in thrift organizational forms. They propose that organization and institutions coevolve, arguing that the changes documented occurred mainly via organizational selection as opposed to adaptation.

Ruef, Martin. "The Emergence of Organizational Forms: A Community Ecology Approach." *American Journal of Sociology* 106.3 (2000): 658–714.

Through the study of health-care organizational forms, the author argues that form emergence is usefully understood as a community ecology process, whereby the possibility of new form creation depends on how talk about a new form relates to discourse that situates existing form identities in a community. It is shown that new forms do not emerge in highly saturated regions of a discursively constructed identity space.

ENTREPRENEURSHIP AND NEO-INSTITUTIONAL THEORY

Entrepreneurial processes provide an important focal point for many neo-institutional researchers (for an overview of the entrepreneurship literature, see Shane 2003; Aldrich and Ruef 2006 provides a review on theorizing at the intersection of entrepreneurship research and organizational sociology). In contrast to research on “institutional entrepreneurship,” neo-institutional research on entrepreneurship seeks to understand how broader institutional belief systems and rules shape the founding of organizations, as well as processes related to entrepreneurialism and institutional change (see Sine and David 2010 for a review of the literature and a collection of papers at this interface). Aldrich and Fiol 1994 (cited under Legitimacy) provides an early theoretical piece that posited the relationship between legitimacy and organizational foundations in a new industry. Lounsbury and Glynn 2001 (cited under Legitimacy) develops a theory of cultural entrepreneurship to encourage the study of how entrepreneurs gain legitimacy via storytelling that is conditioned by different institutional environments. Martens, et al. 2007 provides an empirical test of cultural entrepreneurship, and Navis and Glynn 2010 elaborates on these ideas, in the context of studying how new entrepreneurial identities became legitimated in satellite radio. Navis and Glynn 2011 develops a theory about how legitimate distinctiveness shapes investor judgments of entrepreneurial start-ups. Sine and Lee 2009 shows how institutional conditions shape entrepreneurship in the US wind energy sector. Hargadon and Douglas 2001 examines how Edison relied on extant institutions to facilitate the development of electric-light innovation.

Aldrich, Howard E., and Martin Ruef. *Organizations Evolving*. 2d ed. London: SAGE, 2006.

This exemplary book, originally published in 1999, provides an evolutionary approach to understanding the creation and dynamics of organizations. It offers a nice synthesis of ecological and neo-institutional theories, with a focus on how they can help us better understand entrepreneurial dynamics.

Hargadon, Andrew B., and Yellowlees Douglas. “When Innovations Meet Institutions: Edison and the Design of the Electric Light.” *Administrative Science Quarterly* 46.3 (2001): 476–501.

A historically oriented paper that contributes to theory about how institutions relate to entrepreneurs and the ultimate success or failure of their innovations. The case of Edison’s approach to electric lighting is used to show how design mediates between institutions and innovations as entrepreneurs try to catalyze change.

Martens, Martin L., Jennifer E. Jennings, and P. Devereaux Jennings. “Do the Stories They Tell Get Them the Money They Need? The Role of Entrepreneurial Narratives in Resource Acquisition.” *Academy of Management Journal* 50.5 (2007): 1107–1132.

Extending the literature on cultural entrepreneurship, the authors examine how storytelling enables firms to secure capital. It is argued that narratives do this when they convey a comprehensible identity for an entrepreneurial firm that is embedded in broader discourse; the authors indicate how opportunities will be exploited.

Navis, Chad, and Mary Ann Glynn. “How New Market Categories Emerge: Temporal Dynamics of Legitimacy, Identity, and Entrepreneurship in Satellite Radio, 1990–2005.” *Administrative Science Quarterly* 55.3 (2010): 439–471.

An empirical study of the role of entrepreneurial firms in facilitating industry emergence and legitimation. The authors show that firms advocate for industry legitimacy at the early stages of industry creation, focusing more on their distinctiveness vis-à-vis competitors as the industry becomes more established.

Navis, Chad, and Mary Ann Glynn. “Legitimate Distinctiveness and the Entrepreneurial Identity: Influence on Investor

Judgments of New Venture Plausibility.” *Academy of Management Review* 36.3 (2011): 479–499.

A theoretical paper that advances a view of entrepreneurial-venture identity that is multidimensional and hierarchically nested. The authors suggest that the identity of a start-up is influenced by the category a firm enters, a venture's distinctive characteristics, and the unique identity of the founding entrepreneur.

Shane, Scott. *A General Theory of Entrepreneurship: The Individual-Opportunity Nexus*. New Horizons in Entrepreneurship. Northampton, MA: Edward Elgar, 2003.

A fairly comprehensive review of the entrepreneurship literature. The book also provides a framework for future research that encourages a focus on how individuals create, identify, and take advantage of entrepreneurial opportunities.

Sine, Wesley D., and Robert J. David, eds. *Institutions and Entrepreneurship*. Research in the Sociology of Work 21. Bingley, UK: Emerald, 2010.

An edited volume featuring a variety of contributions at the interface of neo-institutional theory and entrepreneurship.

Sine, Wesley D., and Brandon H. Lee. “Tilting at Windmills? The Environmental Movement and the Emergence of the U.S. Wind Energy Sector.” *Administrative Science Quarterly* 54.1 (2009): 123–155.

An empirical paper that combines neo-institutional theory and social-movement analysis to study entrepreneurial processes. The authors argue that the environmental movement facilitated entrepreneurship related to wind energy, by signaling available opportunities and creating favorable institutional conditions for new venture success.

ORGANIZATIONAL LEARNING AND NEO-INSTITUTIONAL THEORY

The topic of organizational learning is an intellectual descendant of the “behavioral theory of the firm”—also referred to as the “Carnegie school” (e.g., Cyert and March 1992; see Gavetti, et al. 2012 for a review and ongoing research agenda). While the literature on organizational learning is vast, focusing on the adaptive capacities of organizations and how they learn from their experiences, as well as those of other firms, its interface with neo-institutional theory has concentrated mainly on how organizational learning provides a mechanism that shapes diffusion processes (see Haunschild and Chandler 2008 for a review). For example, Haunschild 1993 examines how imitation in corporate acquisition behavior was driven by learning from the experiences of other organizations via board-of-directors ties (see Beckman and Haunschild 2002 for an elaboration). Kraatz 1998 shows how interorganizational connections facilitated learning that enabled organizations to adapt to institutional change. Greve 2005 develops a more sophisticated approach to organizational learning and institutional process that dimensionalized how learning was shaped by multiple aspects of how an organization relates to its environment.

Beckman, Christine M., and Pamela R. Haunschild. “Network Learning: The Effects of Partners’ Heterogeneity of Experience on Corporate Acquisitions.” *Administrative Science Quarterly* 47.1 (2002): 92–124.

An empirical study of how firm acquisition decisions are influenced by learning from network partners that have prior experience with acquisitions. The authors find that firms connected to other firms that, as a whole, have diverse acquisition experiences tend to pay less for their acquisitions and have better success.

Cyert, Richard M., and James G. March. *A Behavioral Theory of the Firm*. 2d ed. Malden, MA: Blackwell, 1992.

Originally published in 1963 (Englewood Cliffs, NJ: Prentice-Hall); reprinted by Blackwell as recently as 2007. A foundational study in organizational analysis, the book focuses on how decision processes in firms are influenced by bounded rationality and coalitional politics. Four features of decision processes are highlighted: quasi-resolution of conflict, uncertainty avoidance, problemistic search, and organizational learning.

Gavetti, Giovanni, Henrich R. Greve, Daniel A. Levinthal, and William Ocasio. “The Behavioral Theory of the Firm: Assessment and Prospects.” *Academy of Management Annals* 6.1 (2012): 1–40.

A review of the “behavioral theory of the firm” perspective that highlights how original ideas have been developed in subsequent research. The authors then lay out a new agenda for research in this tradition, focusing on cognition, performance feedback, politics, attention, learning, and adaptation.

Greve, Henrich R. “Interorganizational Learning and Heterogeneous Social Structure.” *Organization Studies* 26.7 (2005): 1025–1047.

The author reviews literature at the interface of learning and neo-institutional theory focused on diffusion, offering a framework highlighting how interorganizational learning is a function of the susceptibility of an organization to outside ideas, the infectiousness of the point of origin of ideas, and the proximity of organizations. Propositions are developed to guide the study of organizational learning in the context of heterogeneous influences on diffusion.

Haunschild, Pamela R. “Interorganizational Imitation: The Impact of Interlocks on Corporate Acquisition Activity.” *Administrative Science Quarterly* 38.4 (1993): 564–592.

An empirical study that documents how institutional processes may rely on learning. Reporting on a study of corporate acquisitions, the author highlights how corporate managers learn from the experiences of other organizations through their board interlock ties, facilitating imitation of prior acquisition efforts of those firms.

Haunschild, Pamela R., and David Chandler. “Institutional-Level Learning: Learning as a Source of Institutional Change.” In *The SAGE Handbook of Organizational Institutionalism*. Edited by Royston Greenwood, Christine Oliver, Kerstin Sahlin, and Roy Suddaby, 624–649. Thousand Oaks, CA: SAGE, 2008.

A review of the literature at the interface of learning and neo-institutional theory. The authors also develop forward-looking arguments around how institutional-level learning can provide a key source of institutional change.

Kraatz, Matthew S. “Learning by Association? Interorganizational Networks and Adaptation to Environmental Change.” *Academy of Management Journal* 41.6 (1998): 621–643.

An empirical study of organizational learning and adaptation under conditions of institutional change. Through a study of private colleges, the author shows that strong ties to other colleges can promote social learning of adaptive responses, and that colleges tended to imitate similar others that are high performers as opposed to large and prestigious.

NETWORKS AND NEO-INSTITUTIONAL THEORY

Network analysis focuses on the concrete linkages among various actors and how direct ties as well as social structure more generally shape the behavior of organizations and other actors (see Brass, et al. 2004 for a review on the study of organizational networks; for a

review of network methods, see Wasserman and Faust 1994). The interface between neo-institutional theory and network analysis (for a review, see Owen-Smith and Powell 2008) has a long lineage going back to the initial ideas laid out in DiMaggio and Powell 1983 (cited under Key Concepts and Themes). Many studies have tracked how network ties affect organizational responses to institutional pressures. For example, Davis 1991 tracks how shared boards of directors shaped the spread of poison pills. Guler, et al. 2002 shows how cohesive and equivalent network relationships among organizations influence adoption of ISO 9000 quality certificates. Westphal, et al. 1997 explores how institutional factors and network ties shaped the form of Total Quality Management program adoption. Other scholars have employed network analytic techniques to study field structure and evolution. For instance, Powell, et al. 2005 studies the evolution of interorganizational collaboration networks to understand the coevolution of networks and fields. In a variety of theoretical and empirical papers, John Mohr and colleagues have also played a pioneering role in the use of network methods to study institutional meaning systems (e.g., institutional logics) and the dynamics of fields (e.g., Mohr and Duquenne 1997). This continues to be a vibrant area for development.

Brass, Daniel J., Joseph Galaskiewicz, Henrich R. Greve, and Wenpin Tsai. "Taking Stock of Networks and Organizations: A Multilevel Perspective." *Academy of Management Journal* 47.6 (2004): 795–817.

A review of network research at multiple levels: interpersonal, interunit, and interorganizational. The authors also indicate fruitful directions for future research and stress the importance of studying cross-level dynamics.

Davis, Gerald F. "Agents without Principles? The Spread of the Poison Pill through the Intercorporate Network." *Administrative Science Quarterly* 36.4 (1991): 583–613.

An empirical study of how corporate board network interlocks shape practice diffusion. On the basis of a study of the spread of poison pills, an anti-takeover measure, the author finds that networks facilitate diffusion and that agency theory fails to have predictive power.

Guler, Isin, Mauro F. Guillén, and John Muir Macpherson. "Global Competition, Institutions, and the Diffusion of Organizational Practices: The International Spread of ISO 9000 Quality Certificates." *Administrative Science Quarterly* 47.2 (2002): 207–232.

The authors combine neo-institutional and network theories to study the spread of ISO 9000 quality certification cross-nationally. They find that different kinds of network relationships, cohesive versus role-equivalent trade relationships, affect adoption patterns in different ways.

Mohr, John W., and Vincent Duquenne. "The Duality of Culture and Practice: Poverty Relief in New York City, 1888–1917." *Theory and Society* 26.2–3 (1997): 305–356.

An interesting application of network analytic techniques to the study of the institutional dynamics and the measurement of meaning in a poverty relief system. The authors theorize the relationship between logic and practice and show how the ideational components of the poverty relief system (its cultural distinctions) are linked to its practical components (the relief activities employed).

Owen-Smith, Jason, and Walter W. Powell. "Networks and Institutions." In *The SAGE Handbook of Organizational Institutionalism*. Edited by Royston Greenwood, Christine Oliver, Kerstin Sahlin, and Roy Suddaby, 596–623. Thousand Oaks, CA: SAGE, 2008.

A review of research at the interface of neo-institutional theory and network analysis. The authors emphasize the recursive nature of networks and institutions and lay out directions for future research.

Powell, Walter W., Douglas R. White, Kenneth W. Koput, and Jason Owen-Smith. "Network Dynamics and Field Evolution: The Growth of Interorganizational Collaboration in the Life Sciences." *American Journal of Sociology* 110.4 (2005): 1132–1205.

The authors provide a recursive analysis of network and institutional evolution, in an analysis of the shifting dynamics of life science commercialization. They highlight how four different logics of attachment—accumulative advantage, homophily, follow-the-trend, and multiconnectivity—shape network evolution.

Wasserman, Stanley, and Katherine Faust. *Social Network Analysis: Methods and Applications. Structural Analysis in the Social Sciences* 8. Cambridge, UK: Cambridge University Press, 1994.

A definitive and comprehensive reference on network methods and the measurement of key network-related concepts.

Westphal, James D., Ranjay Gulati, and Stephen M. Shortell. "Customization or Conformity? An Institutional and Network Perspective on the Content and Consequences of TQM Adoption." *Administrative Science Quarterly* 42.2 (1997): 366–394.

Drawing on an analysis of Total Quality Management program implementation, the authors show how institutional factors moderate the role of network connections in shaping the form of program adopted. It is shown that early adopters tend to customize adopted practices, while later adopters tend to adopt a more standardized set of practices.

TRANSNATIONALIZATION AND NEO-INSTITUTIONAL THEORY

Neo-institutional research has often been employed in cross-national comparative research as well as that on transnational dynamics (see Djelic and Quack 2010 for an overview). For instance, Dobbin 1994 provides a compelling cross-national comparative case of how different policy styles influenced different approaches to railroad building in different countries. This kind of research emphasizing institutional differences across countries dovetails nicely with research such as that on national business systems and varieties of capitalism (e.g., Hall and Soskice 2001 and Whitley 2007; see also Morgan, et al. 2010). Neo-institutional research has also been applied to understand institutional processes that operate at the global or transnational level. For instance, Guler, et al. 2002 (cited under Networks and Neo-institutional Theory) tracks the global spread of ISO 9000 quality certificates. Meyer, et al. 1997 (cited under World Society) develops an intensive effort to theorize and study the construction of world institutions that facilitate isomorphism across nation-states. Marie-Laure Djelic and colleagues (e.g., Djelic and Sahlin-Andersson 2006, Djelic and Quack 2010) have built a generative research program examining the construction and effects of transnational institutions. The study of transnational dynamics and the relationship between nation-states and transnational actors such as nongovernmental organizations and multinational enterprises will continue to receive a good deal of research attention.

Djelic, Marie-Laure, and Sigrud Quack. "Institutions and Transnationalization." In *The SAGE Handbook of Organizational Institutionalism*. Edited by Royston Greenwood, Christine Oliver, Kerstin Sahlin, and Roy Suddaby, 299–324. Thousand Oaks, CA: SAGE, 2008.

A review of research at the interface of neo-institutional theory and the study of transnational dynamics. In addition to providing a review, the authors highlight different theoretical issues for future research, such as the treatment of transnationalization as an instance of institutional recombination, and how transnationalization is affected by trickle-up and trickle-down trajectories.

Djelic, Marie-Laure, and Sigrud Quack, eds. *Transnational Communities: Shaping Global Economic Governance*. Cambridge, UK: Cambridge University Press, 2010.

An intriguing edited volume that explores the role of transnational communities in relation to the governance of business and economic

activity in and across different countries. A wide range of empirical cases and kinds of transnational communities, from professional to virtual, are analyzed.

Djelic, Marie-Laure, and Kerstin Sahlin-Andersson, eds. *Transnational Governance: Institutional Dynamics of Regulation*. Cambridge, UK: Cambridge University Press, 2006.

An edited volume exploring how transnational rules and modes of governance are formed, change, and stabilize. Contributions are diverse and address these problematics from varied institutional perspectives.

Dobbin, Frank. *Forging Industrial Policy: The United States, Britain, and France in the Railway Age*. Cambridge, UK: Cambridge University Press, 1994.

A cross-national comparative study of how different cultural styles of policymaking led to varied strategies of railroad construction. Challenging notions of rational policy design, the author compellingly shows how systems of cultural meaning play a crucial role in shaping industrial growth policies.

Hall, Peter A., and David Soskice, eds. *Varieties of Capitalism: The Institutional Foundations of Comparative Advantage*. Oxford: Oxford University Press, 2001.

An edited volume that seeks to address why there are sustained national differences in social and economic policy, as well as outcomes. The varied contributions emphasize the role of corporations in the development and functioning of national economies, highlighting that there are a variety of paths to economic success.

Morgan, Glenn, John L. Campbell, Colin Crouch, Ove Kaj Pedersen, and Richard Whitley, eds. *The Oxford Handbook of Comparative Institutional Analysis*. Oxford Handbooks in Business and Management. Oxford: Oxford University Press, 2010.

A major compendium providing reviews and future research directions for comparative institutional analysis. It addresses theory and method, the study of institutions, states and markets, the organization of economic actors, and scholarly challenges.

Whitley, Richard. *Business Systems and Organizational Capabilities: The Institutional Structuring of Competitive Competences*. Oxford: Oxford University Press, 2007.

The author draws upon institutional theory to develop a business systems framework to study cross-national differences in how firms become established and develop different capabilities in and across different socioeconomic systems. The dynamics of business systems are related to the authority structures and capabilities of dominant firms in different countries and are compared to the development of multinational firms.

LAW AND SOCIAL POLICY AND NEO-INSTITUTIONAL THEORY

Law and social policy have provided key focal points for neo-institutional researchers intent on showing how rule-making processes deviate from dominant rational-choice understandings that pervade literatures such as those on law and economics (Posner 2011). A good deal of this work is in the law-and-society tradition—focusing on how law, especially ambiguous law, influences the practices of organizations (see Edelman and Suchman 1997 for an overview; Edelman and Suchman 2007 provides a selection of papers). Frank Dobbin's work with colleagues on topics such as competition policy, harassment, and equal-opportunity law (e.g., Dobbin and Dowd 1997, Dobbin and Kelly 2007, Dobbin, et al. 1993) contributes to the law-and-society tradition while also focusing more generally on the

construction and effects of law and state policy. While this line of work has shed a great deal of light on processes of law and policy implementation and definition, it only scratches the surface of the policy relevance of neo-institutional theory. There have been a couple of notable efforts to move in this direction. Hoffman and Ventresca 2002 gathers a collection that highlights the utility of neo-institutionalism to understanding environmental policy. Hoffman's work more generally has been exemplary in building bridges between neo-institutional theory and environmental policymakers. Lounsbury and Hirsch 2010 shows how neo-institutional theory and related ideas in economic and organizational sociology can help shed new light on financial crises—in particular the 2008–2009 financial crisis—and generate policy-relevant ideas for the structuring and regulation of financial organizations.

Dobbin, Frank, and Timothy J. Dowd. “How Policy Shapes Competition: Early Railroad Foundings in Massachusetts.” *Administrative Science Quarterly* 42.3 (1997): 501–529.

An empirical article documenting how public policy creates the ground rules of competition and varieties of market behavior. The authors draw on an analysis of railroad organizations to show how different kinds of policies increased or decreased rates of organizational creation

Dobbin, Frank, and Erin L. Kelly. “How to Stop Harassment: Professional Construction of Legal Compliance in Organizations.” *American Journal of Sociology* 112.4 (2007): 1203–1243.

An empirical investigation of how employers adopted grievance procedures and sensitivity training in addressing sexual harassment. The authors document how human resource professionals played a key role in promulgating these practices.

Dobbin, Frank, John R. Sutton, John W. Meyer, and W. Richard Scott. “Equal Opportunity Law and the Construction of Internal Labor Markets.” *American Journal of Sociology* 99.2 (1993): 396–427.

An empirical study of how organizations responded to federal law on equal employment opportunity. The authors show how human relations managers created and helped to spread employment practices that formalized and rationalized promotion procedures in response to the law.

Edelman, Lauren B., and Mark C. Suchman. “The Legal Environments of Organizations.” *Annual Review of Sociology* 23 (1997): 479–515.

A review article on sociological approaches to organizations and the law. The authors identify two broad meta-theoretical perspectives—materialist and cultural—and detail how each approach theorizes the relationship between legal environments and organizations.

Edelman, Lauren B., and Mark C. Suchman, eds. *The Legal Lives of Private Organizations*. International Library of Essays in Law and Society. Aldershot, UK: Ashgate, 2007.

An edited volume addressing the relationship between organizations and their legal environments. Contributions draw diversely from political science, sociology, anthropology, history, law, and organizations theory to shed light on how organizations deal with legal issues pertaining to the natural environment, discrimination, work and family, and entrepreneurship.

Hoffman, Andrew J., and Marc J. Ventresca, eds. *Organizations, Policy and the Natural Environment: Institutional and Strategic Perspectives*. Stanford, CA: Stanford University Press, 2002.

An edited volume that combines neo-institutional theory with a variety of other perspectives to explore problems at the interface of

natural environment policy and organizational behavior. Contributions address issues and concerns of relevance to multiple audiences—academic scholars, practitioners, and policymakers.

Lounsbury, Michael, and Paul M. Hirsch, eds. *Markets on Trial: The Economic Sociology of the U.S. Financial Crisis, Part B. Research in the Sociology of Organizations 30B*. Bingley, UK: Emerald, 2010.

An edited volume bringing together a wide variety of scholars on neo-institutional and economic sociology to address various aspects of the global financial crisis and so-called Great Recession that commenced in 2008. Contributions provide policy prescriptions and demonstrate the policy relevance of sociological and organizational theories.

Posner, Richard A. *Economic Analysis of Law*. 8th ed. Aspen Casebook Series. New York: Aspen, 2011.

Originally published in 1972 (Boston: Little, Brown). The definitive text on the microeconomic approach to law. Rooted in reductionist, rational-choice theorizing, this approach to understanding the law provides a foil for neo-institutional and socio-legal scholars.

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