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Approaching adulthood: the maturing of institutional theory

W. Richard Scott

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Abstract I summarize seven general trends in the institutional analysis of organizations which I view as constructive and provide evidence of progress in the development of this perspective. I emphasize corrections in early theoretical limitations as well as improvements in the use of empirical indicators and an expansion of the types of organizations included and issues addressed by institutional theorists.

It is now more than 30 years since a brash new theoretical perspective invaded organizational sociology.¹ Neo-institutional arguments were first formulated by John Meyer and colleagues, beginning in the year 1977 (Meyer and Rowan 1977; Meyer et al. 1978; Meyer et al. 1981; Zucker 1977; for a review emphasizing Meyer's contribution, see Jepperson 2002). The general argument advanced was that formal organizational structure reflected not simply technological imperatives (Lawrence and Lorsch 1967; Thompson 1967/2003) and resource dependencies (Pfeffer 1972; Pfeffer and Salancik 1978) but “institutional” forces, vaguely defined at that time as “rulelike” frameworks, “rational myths” and “knowledge legitimated through the educational systems, by social prestige, by the laws ... and the courts.” (Meyer and Rowan 1977:341–43). This early work announced a bold, creative new explanation for formal structure, as well as for the privileged position of organizations as legitimate, dominant actors in modern societies. It set in motion a program of theory construction and research that continues to be vigorous and attractive to a growing number of scholars in a wide variety of intellectual arenas.

¹Institutional theory has a long and complex history stretching back to the mid-nineteenth century. Important contributions have been made across the social sciences (see Scott 2008). This paper is limited to the more recent period—developments since 1977—and focuses on the efforts of sociologists and management scholars to understand the connections between institutional frameworks and forces and organizations.

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It is also true, however, that this early work carried with it some unfortunate intellectual baggage that has been difficult to discard. It has taken a good many years to reformulate some of the arguments and revise some of the assumptions embedded in the founding studies. We should never underestimate the power of foundational works in shaping the course of subsequent developments in a social arena! Theories as well as social systems are subject to imprinting and path dependence processes. As many of us celebrate the “cultural turn” that transpired in the social sciences at the end of the twentieth century, it is important to recognize and acknowledge the extent to which institutional sociologists came close to making a wrong turn at this critical juncture.

In this article, I review progress in the development of institutional theory relating to organizations viewed, in the terminological of my Stanford colleagues, as a “cumulative research program” (Berger and Zelditch 2002). The discussion is organized so as to identify and highlight a series of corrections or modifications—some of them major shifts, others more minor course corrections in the program. Viewed as a 30-year work-in-progress, I believe that the overall trajectory has been quite positive.

Evidence of progress

From looser to tighter conceptualization

Arguments reflecting important institutional features date back to the middle of the nineteenth century (Bill and Hardgrave 1981; Hodgson 1994; Scott 1995, 2008: chap. 1). These early formulations stress the role of habit and history in constraining choice or, alternatively, the force of moral pressures and the “cake of custom” in cementing social order. More recent arguments emphasize the importance of symbolic systems and mental maps that provide guidelines for behavior. In attempts to bring order to this jumble of concepts, some analysts have proposed a distinction—sometimes pejorative—between the “old” and the “new” institutionalism (DiMaggio and Powell 1991; Hirsch and Lounsbury 1997; Stinchcombe 1997). A more productive strand of work has endeavored to identify the essence of institutional arguments as fundamentally concerned with social stability—as calling attention to a “particular set of social reproductive processes,” as connoting “stable designs for chronically repeated activity sequences” (Jepperson 1991: 144–45). The question remained, however, what were these processes?

DiMaggio and Powell (1983) provided, I believe, a fruitful direction to pursuing this question in their seminal distinction between “coercive, normative, and mimetic” processes of social reproduction. I pursued and elaborated their lead by differentiating between three types of ingredients that underlie institutional order: regulative, normative, and cultural-cognitive elements (Scott 1995; 2005; 2008). Regulative elements stress rule-setting, monitoring, and sanctioning activities. Normative elements “introduce a prescriptive, evaluative, and obligatory dimension into social life” (Scott 2008: 54). And cultural-cognitive elements emphasize the “shared conceptions that constitute the nature of social reality and the frames through which meaning is made” (Scott 2008: 57). The three elements vary substantially in the type

of institutional order they support, each differing in the bases of order, motives for compliance, logics of action, mechanisms, and indicators employed. Each offers a different rationale for claiming legitimacy, whether by virtue of being legally sanctioned, morally authorized, or culturally supported (Scott 2008: 51). Thus, it makes a difference whether one complies out of expedience (to avoid a punishment), because one feels morally obligated to do so, or because one cannot conceive any other way of acting. But at the same time, each is properly seen as providing or contributing to an institutionalized social order: all support and sustain stable behavior.

Cultural cognitive frameworks provide the deeper foundations of institutional forms. In formulating the classificatory systems, assumptions, and premises that underlie institutional logics, they provide the infrastructure on which not only beliefs, but norms and rules rest. Regulatory elements have received more attention from scholars, in particular, institutional economists and rational choice political scientists, than the “softer” cultural cognitive and normative elements. However, there is growing recognition that, although regulative features are more visible, they can also be more superficial, “thinner,” and less consequential than normative and cultural elements. Regulatory systems are more fast-moving and easier to manipulate than the other elements, but often give rise to manipulation, “gaming,” and decoupling, rather than to compliance (Evans 2004; Roland 2004).

Particular institutions are made up of different combinations of these institutional elements, varying among one another and over time in the elements given priority. An important task of the institutional scholar is to ascertain what elements are at play in a given context and the extent to which they work to reinforce or undercut one another. Institutional elements operate at various levels of analysis—from micro interpersonal systems to transnational or world systems. Organizations are comprised of many institutional elements, some rules, norms, or beliefs being forged in on-going interaction and others being borrowed from their environments. Most organizational scholarship has focused on environmental influences and ways in which differing institutional structures and processes shape organizations, organizational populations, and organizational fields (Scott 2008).

Although institutional elements are themselves symbolic, they are of interest insofar as they provide cognitive schema, normative guidance, and rules that constrain and empower social behavior. Rules, norms and meanings arise in interaction, and they are preserved and modified by the behavior of social actors (Giddens, 1979; Sewell 1992). As Geertz (1973: 17) observes, “Behavior must be attended to, and with some exactness, because it is through the flow of behavior—or, more precisely, social action—that cultural forms find articulation.”

While this general conceptual approach may not prove to be definitive, it sidesteps some of the more acrimonious and fruitless debates, provides a framework for differentiating among while encompassing the work of a variety of institutional scholars, and suggests a wide range of causal mechanisms and empirical indicators that have been fruitfully pursued by scholars.

From determinant to interactive arguments

Most of the early discussions of institutional environments viewed these frameworks as contexts imposing requirements and/or constraints on organizations. The language

employed was one of “institutional effects,” implying a determinant, top-down perspective. Organizations operating within a given context, if they were to be successful, were obliged to conform to the dictates of their institutional environments (see, e.g., DiMaggio 1983; Powell 1988).²

Moreover, in these early studies, there was an assumption of uniformity within institutional environments. A monolithic framework was posited, imposing homogenous requirements on passive organizations. The litmus test of institutional influence on organizations was to observe isomorphic structural effects. In the founding work, Meyer and Rowan (1977) proposed that institutional environments impose structural uniformity on all organizations in modern societies. This highly general assertion was subsequently modified and refined to recognize that homogenizing pressures were at their strongest in delimited “organization fields” (DiMaggio and Powell 1983) or “societal sectors” (Scott and Meyer 1983, 1991). DiMaggio and Powell appropriated and adapted the concept of “field” from Bourdieu (1971; Bourdieu and Wacquant 1992), emphasizing its relational or network features. Meyer and I borrowed the concept of “sector” from students of public policy (e.g., Wildavsky 1979), who noted the tendency toward increased “sectoralization” of allocative and regulatory systems, as policies, programs, and agencies became increasingly delimited within functionally specialized realms.

It was not long before institutionalists began to recognize that many organizational fields were fragmented or conflicted, containing competing requirements and prescriptions. Such conditions were argued to enhance administrative complexity, increase decoupling between structures and activities, undermine stability of offices and programs, produce hybrid structures, and undermine organizational legitimacy (Meyer and Scott 1983). By the mid-1980s, empirical studies were appearing that examined the effects of complexity, fragmentation, and ambiguity in institutional requirements on organizational forms and processes (e.g., Rowan, 1982; Meyer et al. 1987; Dobbin et al. 1988; Powell 1988; Brunsson 1989; D'Aunno et al. 1991; Abzug and Mezas 1993). These theoretical developments were reinforced by Freidland and Alford's (1991) influential essay that reminded organization theorists that organizations and organizational fields are subsumed within and influenced by their larger, societal contexts. They emphasized the importance of wider institutional orders—e.g., the economy, state, kinship system, religion—and the variance in structures and logics governing these realms—that offer competing interpretations of and solutions for problems encountered in a given situation, providing an impetus for field conflict and change.

The efficacy of externally imposed laws and formal rules was also questioned by organizational sociologists and by law and society scholars (Edelman 1992; Dobbin and Sutton 1998; Edelman and Suchman 1997). Governmental regulations have traditionally been depicted as forms of coercive power, imposing conformity on affected actors, whether individual or collective. In contrast to such conventional views embracing “legal formalism,” neoinstitutionalists emphasized the extent to which such “requirements” are subject to interpretation, manipulation, revision, and elaboration by those subject to them. In terms of the institutional elements I

² For early criticisms of these early determinant tendencies, see Perrow 1985, 1986; Hall 1992).

identified (Scott 2008), this implies a transmutation over time of regulative into normative and cultural-cognitive elements. Underscoring the centrality of these processes, Edelman et al. (1999) insists that law should not be treated as an exogenous force on organizations, but rather “considered at least in part endogenous, constructed in and through the organizational fields that it seeks to regulate.”

In sum, although the founding works were seminal in calling attention to the reality and influence of the institutional environment on organizations, their initial formulations overstated the unity, coherence and independence of these frameworks. However, within a decade, corrections and refinements were underway, recognizing the variety, complexity, and in some cases, the conflicts and ambiguity present in these prescriptive systems. These developments worked to create a space for analysts to recognize the possibility of opportunities for choice and use of agency among actors, both individuals and organizations. To exploit these openings, however, required a reexamination of the “metaphysical pathos” (Gouldner 1955) that accompanied early institutional theory.

DiMaggio (1988: 10) initiated this reexamination in his important essay examining “Interest and agency in institutional theory.” He noted that the focus on “norms, taken-for-granted assumptions, and cognitive and coordinate limitations” together with the widespread rhetorical “use of passive constructions” in institutional theory acted to defocus attention by institutional theorists on interests and agency. As a corrective, he proposed that attention be deflected from an analysis of extant institutions to the process of institutionalization because examining the latter would show

that institutionalization is a product of the political efforts of actors to accomplish their ends and that the success of an institutionalization project and the form that the resulting institutions takes depend on the relative power of the actors who support, oppose, or otherwise strive to influence it. (p.13)

DiMaggio (1991) illustrated his arguments by examining the role of agency and conflict among actors involved in constructing the field of art museums in the United States. DiMaggio noted that such contentious processes are more visible during the periods when new fields are under construction, but Giddens's (1979) theory of structuration, which was embraced by institutional theorists, emphasized that the process of construction is continuous—that social structures are reproduced and modified by the on-going actions of social actors, both individuals and collective actors. Institutional processes operate not only in a top-down, but also a bottom-up direction.

This affirmation of the possibility of agency within institutional contexts was reinforced and elaborated by Oliver (1991), who suggested combining institutional with resource dependence (Pfeffer and Salancik 1978) arguments to envision a variety of “strategic” responses by organizational actors to institutional pressures. Oliver pointed out that while conformity to institutional pressures might be the most likely response by organizational actors, other responses—compromise, avoidance, defiance, manipulation—were also possible. She spelled out in some detail the conditions under which one or another of these responses was more likely to occur. Although, later analysts (Goodrick and Salancik 1996) have correctly noted that conditions exist under which strategic responses are unlikely, and some elements are more likely to evoke strategic responses than others (Scott 2008), Oliver's essay

pried open institutional theory, making room for more purposive action and, as a consequence, rendered the theoretical framework more attractive to managerial audiences. (Professional management schools are not particularly receptive to formulations, such as those by ecologists and institutionalists, that view managers as overly passive in the face of environmental pressures.) Managers suddenly had a whole new realm to manage.

From superficial to consequential change

Meyer and Rowan's (1977) founding conception stressed that organizations responded to institutional pressures by "ceremonial conformity." Organizations felt compelled to adopt structural changes in response to institutional demands, on the one hand, but then proceeded to "decouple" them from actual practices, which needed to take into account local circumstances and practical realities. Indeed, in some quarters and for too long, institutional effects became equated with superficial conformity.³

Gradually, however, theorists and investigators began to recognize that the type and extensiveness of conformity varied across organizations. Rather than assuming that decoupling of structure and action was the norm, the depth of response was recognized to vary. The ways and extent to which organizations responded to institutional pressures became itself a subject of study. This broadening of the agenda is well exemplified by Westphal and Zajac's (1994) study of the adoption and execution of incentive plans by corporations attempting to tie executive compensation to company performance. This study reveals that many companies formally adopted such plans but failed to implement them, exhibiting ceremonial conformity to institutional pressures. However, these researchers go beyond this finding to investigate which factors accounted for adoption, on the one hand, and for implementation, on the other. The extent of decoupling was shown to be, among other things, a function of how early or late the structural reforms were adopted—earlier adopters being more like to implement the reform (see also, Westphal and Zajac 1998). Thus, rather than viewing decoupling as the hallmark of an institutional effect, it was seen as one among many responses, and hence, itself requiring explanation.

Other research has shown that when organizations adopt changes in their formal rules and structures in response to institutional pressures, changes that might seem superficial at first become more significant over time. Thus, Edelman (1992) argues that there are varying degrees of decoupling of structure and action. In some cases, structural changes substitute for procedural or substantive changes; in others, they work in subtle ways to reshape roles and identities such that officers become internal advocates for reforms, both procedural and substantive. Indeed, among the most common responses of organizations to external pressures is to "internalize" the threat, incorporating new types of actors expert in dealing with these issues (Scott

³ This (over)emphasis continues up to the present time, and remains a continuing feature characterizing Meyer's more recent work on isomorphic processes at the global level (see Meyer et al. 1997; Drori et al. 2006)

2003: 270). In response to demands from environmental interests, for example, chemical organizations created new offices and departments staffed by environmental engineers to help them cope (Hoffman 1997). Such cooptative responses, as Selznick (1949) noted years ago, cut both ways, sometimes taming and dampening the demands, other times allowing them to gain greater ground by working from within. As institutional forces compel organizations to make structural changes, and new types of personnel are hired, these units in turn can become champions of the reforms, personnel officers emphasizing the contributions to productivity of a diversified workforce, and environmental engineers making the case for pursuing “sustainable” development as being in the company’s best interests (Dobbin and Sutton 1998; Hoffman 1997). Rational (e.g., efficiency-based) justifications are offered for new ways of acting.

From assertions to evidence

Early institutionalists often simply asserted institutional effects. Arguments were accompanied with illustrative data followed by the conclusion that the regularities observed were due to the effects of institutional processes. For example, in an early study of public educational organizations in the United States, my colleagues and I assembled data over a 40-year period to demonstrate increased homogeneity of structure (Meyer et al. 1988). We demonstrated that the increased structuration was not a consequence of increased centralization of funding and went on to conclude, rather, that the changes reflected “the expansion and imposition of standard models” (p. 166). However, no data were presented to support this argument. This pattern was all too common. In another study (Meyer et al. 1978), we examined survey data for evidence of consensus among teachers and principles regarding school and classroom policies. Consensus was not higher within schools or districts, leading us to conclude that existing consensus reflected institutional rather than organizational effects. But we presented no measures of these institutional supports. Other scholars pointed to the *absence* of evidence for widely-held, conventional arguments (e.g., contingency or resource-dependence explanations), and concluded, that competing institutional arguments were supported, by default. Thus, Tolbert and Zucker (1983) demonstrated that the political and social characteristics of cities had a decreasing capacity to explain the adoption of civil service reforms, but did not directly measure the increasing institutionalization of the reform. Often, important explanatory variables, such as legitimacy, were unmeasured or only indirectly inferred.

This situation, however, began to change as numerous investigators developed appropriate and imaginative measures to capture changes in rules, norms, and belief systems. Among the indicators that have been employed are: amount and content of media, types of training programs, types of social logics (cultural–cognitive elements); registration, certification, and accreditation (normative elements); extent and type of regulatory legislation, enforcement actions by regulatory agencies, lawsuits filed (regulative elements) (Deephouse 1996; Hoffman 1997; Ruef and Scott 1998; Scott et al. 2000; Thornton 2004).

Indeed, it is largely due to the efforts of institutional scholars that Ventresca and Mohr (2002) have proclaimed the arrival of a new genre of research termed “the new archivalism.” This research is characterized by the use of formal analytic methods,

attention to “constituent elements” of organizations, “concern with measuring the shared forms of meaning that underlie social organizational processes,” and an interest in understanding the “configurational logics” that relate these elements together into organized activities (p. 810). While early on institutional arguments had to claim attention largely due to the novelty of their theoretical premises, today they increasingly are fueled by innovative types of data and solid analytic tools.

From organization-centric to field level approaches

Almost from the outset, sociological neoinstitutionalists shifted the focus of analytic attention from the individual organization, or intra-organizational processes, to higher levels of analysis. While this might seem merely a consequence of emphasizing environmental effects, this is not the case. Earlier environmental arguments accounting for organizational structure—including contingency (Lawrence and Lorsch 1967; Thompson 1967) and resource dependence theory (Pfeffer and Salancik 1978)—concentrated on examining variations among the structural features of individual organizations reflecting differences in their technical environments or exchange relations. Similarly, early sociological work employing institutional arguments (e.g., Selznick 1949; Clark 1956; Zald and Denton 1963) were, more often than not, case studies of single organizations, examining the effects of normative constraints on structural features, both formal and informal. Neoinstitutional theory as developed by economists also developed arguments applicable to the organization level. Thus, Williamson's (1975, 1981) transaction cost framework attempts to account for variations in the boundaries and/or structural features of organizations based on the types of transactions in which they are engaged. Contingency and transaction cost models, at best, raised the level of analysis from the organization to the organization “set” level—the use of dyadic models with all relations impinging on a single “focal” organization (see Davis and Powell 1992).

Organizational ecology, a perspective stressing the effects of competition for scarce resources, developed at about the same time as sociological strands of neoinstitutional theory (Hannan and Freeman 1977). While applicable at multiple levels—from organization to population to organizational community (Carroll 1984)—to date, the perspective has been applied primarily at the *population* level—focusing on factors affecting the vital rates of founding and failure processes among organizations sharing the same form—and hence competing for the same resources.

While sociological neoinstitutional arguments have often been applied at the individual organization (e.g., Powell 1988) and population (e.g., Baum and Oliver 1992) levels, much work has taken place at the level of the organizational *field*, defined as a set of interdependent populations of organizations participating in the same cultural and social sub-system (DiMaggio and Powell 1983; Scott and Meyer 1983). Both the population and the field level move us from an organization-centric or dyadic to a more systemic level of analysis. They focus not on organizations in environments but on the organization of the environment, with attention to organizations as the major players (Davis and Powell 1992; Scott and Davis 2007).

In moving up to the field level, early formulations (e.g., DiMaggio and Powell 1983; Scott and Meyer 1983) accorded too much attention to relational and structural features of fields, neglecting symbolic or cultural elements. More recent

efforts (e.g., Haveman and Rao 1997; Rao et al. 2003; Scott et al. 2000) emphasize the co-production of relational systems and meanings as the constituent elements of fields.

Fields serve a variety of functions in institutional analysis—as the locus of independent variables shaping organizational forms, as intermediate systems, mediating between organizations and wider societal forces, and as themselves dependent variables, systems whose features are to be explained (Scott 1994, 2008). Field-level arguments serve to remind analysts that

- organizations operate in systems composed of both similar and diverse forms
- organizations operate in systems of organizations involved in both competitive and cooperative relations
- the “environment” within which organizations operate is itself organized—exhibiting a distinctive cultural and social structure
- the relational structure of fields provides diverse locations for individual organizations
- organizations are affected not only by local but by distant actors and forces
- organizations are involved in both horizontal (cooperative–competitive) and vertical (power and authority) connections
- organizations are affected not only by the exchange relations in which they participate but by the existence of systems similar (exhibiting structural equivalence) to their own

Some conceptions of the field overstress the extent to which field participants hold similar beliefs regarding goals, norms, and social logics. For example, many researchers have defined fields in terms of relatively stable product or service arenas or in terms of shared managerial conceptions of “who is in the same business as we are” (Porac and Thomas 1990). However, it is also true that, relatively early, analysts recognized that fields are often the site of conflict among contending factions (e.g., DiMaggio 1991). And, more recently, Hoffman (1997; 1999), among others, has argued that some fields are formed around issues rather than in terms of common products or markets. For example, chemical companies participate in a contested field defined by differences over their environmental effects and responsibilities—as formulated by the companies, activist environmental groups, governmental regulatory bodies, and the media, both general and industry-specific. Logics are formulated and relations are structured as much by disagreement as by agreement, and institutional theorists increasingly turn toward social movement theorists and political sociologists for aid in understanding field level structures and processes (Clemens and Cook 1999; Davis et al. 2004).

From non-rational formulations to rationality within institutional frameworks

In their foundational article, Meyer and Rowan (1977) posit a conflict between the requirements of rationalized institutional environments and those imposed by markets that reward efficient performance and support technical activities. This implied opposition between institutional requirements and efficient performance was reinforced by DiMaggio and Powell (1983), who juxtaposed conformity pressures among organizations based on competitive processes with those stemming

from institutional pressures. The latter were alleged to “make organizations more similar without necessarily making them more efficient” (p. 147). Given the stance taken by these foundational essays, institutional theory stood in danger of becoming a theory of socially legitimate albeit inefficient organizations. A focus on the explanation of non-rational features of organizations threatened to condemn institutional theorists to play the role of subordinate hand-maiden to rational analysts (in their numerous guises), who could safely devote themselves to the adult concerns of constructing accounts of efficient organizations, leaving to institutionalists the scraps (error, subterfuge, ritualism) accounting for the error-term in their equations. Not a good division of labor, I think, particularly for institutionalists.

The matter was not helped by the fact that much of the early research by institutional scholars focused on “soft” organizations: schools, public agencies, and non-profits. Institutional theory appeared to be condemned to examine the non-rational facets in market-type organizations or to studying organizations largely shielded from competitive forces.

To counteract this trend, a number of scholars began to rethink and revise the early agenda. Staking out an intermediate position, Meyer and I (Scott and Meyer 1983, 1991) proposed that *all* organizations operate in both technical (market) and institutional environments, but that the extent of pressure posed by each varied across differing types of organizations. Thus, organizations such as banks and hospitals operated in environments containing high demands on both technical and institutional fronts; schools and mental hospitals, in environments with high institutional but low technical demands; manufacturing firms, in environments with high technical but low institutional requirements; and organizations, such as health clubs and day-care centers, faced low demands (and received little support) from either type of environment. As a consequence, organizations in these environments tend to be relatively weak and short-lived.

This typology has utility, but courts the danger of understating the extent to which technical/market arrangements are themselves defined and constituted by institutional processes. What criteria are to be used to assess quality and efficiency? What rules are to govern competition? What strategies can be employed? What types of actors (individual and collective) are recognized as legitimate players?—these and other questions that define markets and market mechanisms are themselves determined by institutional processes. Institutional processes shape technical/market arrangements as well as comprising specialized components within these systems.

The beginnings of a more complete and robust institutional formulation began to surface in the early 1990s. Powell (1991:183–84) called attention to what he termed a “restricted institutionalism” leading to an “unfortunate partitioning of the organizational universe.” He suggested that institutionalists should redirect their attention to “show how political and institutional forces set the very framework for the establishment of economic action” (p. 187). In a similar vein, Orrù, Biggart and Hamilton (1991:362) insisted that “institutional arrangements played a paramount role and can be observed at the very core of market-regulated, technically dominated environments.” Whitley (1992a, 1992b) proceeded to examine the “distinctive ‘business recipes’ in various institutional environments” ...“that

become established as the dominant forms of business organization in different societies” (1992b:125).

These and other institutional scholars began to recognize that rules, norms, and belief systems undergird all stable social systems, including economic systems. Institutional processes are not restricted to realms lacking competitive processes to sort among contenders. Rather, these processes provide the rules and norms governing competition and the cultural templates providing the repertoires of strategic action (Clemens 1997).

From institutional stability to institutional change

The concept of institution clearly connotes stability and order, but that does not mean that institutions do not undergo change. Institutional systems undergo change for both external and internal reasons. Exogenous change may be occasioned by disruptions occurring in wider or neighboring systems—whether for political, economic, or social reasons—that destabilize existing rules and understandings. Frequently, carriers of “new” institutional logics invade from “foreign” realms and colonize existing stable fields—recent examples include health care (Scott et al. 2000) and publishing (Thornton 2004). Endogenous sources of change include gaps or mismatches between more macro systems and micro activities in response to local circumstances, inconsistencies existing between institutional elements or competing frameworks, and persisting poor performance levels in relation to expectations (Sewell 1992; Scott 2008, chap 8; Dacin et al. 2002).

Earlier empirical studies concentrated on demonstrating institutional effects, investigators conducting primarily cross-sectional studies to examine effects of particular institutional contexts. Those studies employing a more dynamic design focused on the diffusion over time of selected institutional elements, e.g., civil service reforms or increased homogenization in organizational structures (Tolbert and Zucker 1983; Meyer et al. 1988).

Institutional change was the topic, but attention was restricted in these early studies to convergent change.

The earliest investigation of institutional change involving conflicting or contentious interactions was DiMaggio’s (1991) study of the institutionalization of the field of art museums as a carrier of “high culture” in the U.S. during the period 1920–1940. This study focused on the competition that developed between two models for organizing museums, as professional factions competed for control (including the support of influential foundations such as the Carnegie Corporation). DiMaggio admonished his fellow institutionalists that:

The neglect by researchers of structuration processes provides a one-sided vision of institutional change that emphasized taken-for-granted, nondirected, nonconflictual evolution at the expense of intentional (if boundedly rational), directive, and conflict-laden processes that define fields and set them upon trajectories that eventually appear as ‘natural’ developments to participants and observers alike. (p. 268)

In invoking the concept “structuration,” DiMaggio usefully linked institutional arguments to Giddens’s (1979) structuration theory (see also, DiMaggio 1983). As

briefly discussed above, Giddens proposed to resolve the age-old divide setting off structural arguments, which emphasize existing constraints on behavior, from action advocates, who privilege the possibility of autonomous action. His resolution suggests that both camps claim some part of the truth, that they can be reconciled by recognizing that structures are both the product of and the context for action. Structures provide an ongoing context within which action transpires, but are themselves either reproduced or changed by the understandings and choices made by knowledgeable, purposive, reflexive actors. More generally, in Giddens's and related formulations, structures are conceptualized as processes: structures only exist if and to the extent they are continually produced and reproduced. And, indeed, an increasing number of scholars have embraced a process view of organizations/organizing (Scott 2004).

A number of empirical studies have been carried out to examine the construction of institutional arrangements and their associated organizational fields (e.g., Dezalay and Garth 1996; Lounsbury et al. 2003). Such studies are increasingly joined by investigations of conflicted and/or deinstitutionalization processes—the collapse of existing institutions and their gradual reconstruction into new configurations (e.g. Campbell and Pedersen 1996; Holm 1995; Stark 1996; Scott et al. 2000; Thornton 2004; Schneiberg and Soule 2005).

Renewed attention to change and, more broadly, recognition of the value of longitudinal studies of organizations, organizational populations, and organizational fields is, in my view, welcome as another indicator of the maturation of institutional scholarship as it attends to the continuing importance of historical context, path-dependence, and the co-evolution of organizations and institutions (see Pierson 2004).

Concluding comment

My intent has been to describe some of the important changes that have occurred in our thinking about institutional processes. To my mind, much progress has occurred over the past three decades since the appearance of those seminal papers pointing to a new explanation for organizational structure. Progress takes many forms, including theoretical elaboration and clarification, broadened scope of application of the ideas, improvement in empirical indicators, and strengthened methodological tools. Evidence suggests that improvements have been made in all of these areas. I have also stressed the effort to correct misconceptions or limitations embedded in the founding formulations.

One important indicator of success is growth in the number and variety of scholars who are pursuing an institutional agenda in their study of organizations. All indicators point to an expanding enterprise, as a growing band of scholars develop and test institutional arguments at the intra-organization (Elsbach 2002) organization (Palmer and Biggart 2002), and interorganization levels of analysis (Strang and Sine 2002).

In 1987, in an early appraisal, I described institutional theory as struggling through the *sturm und drang* of its adolescence (Scott 1987). Today, I observe impressive evidence of development: substantial signs of increasing maturation.

Perhaps it is not premature to suggest at this juncture that our scholarly project has reached the stage of healthy young adulthood.

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