

INSTITUTIONAL THEORY: REFLECTIONS ON ONTOLOGY

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Introduction

The philosophical foundations of institutional theory continue to be obscured by the problem of meta-theory, the ontological ideas that necessarily underpin institutional *theory*. These concern statements about the way the social world is, of the relationship between human agents and social structures and the transformational nature of that relationship. These are significant issues because ontology informs how scholars approach the phenomena they want to study, shaping the research questions asked and the methodology adopted, which informs what can be said about it (Al-Amoudi and O'Mahoney, 2015). The origins of the issue reveal distinct points of connection *and* contention, of how institutional theory has been conceived across disciplines (Nielson, 2001; Mutch, Delbridge and Ventresca, 2006; DiMaggio, 2008), which for organizational studies scholars becomes apparent when looking at the concept of 'isomorphism'. The points of connection concern the necessary role of agency in explaining institutionalization, the points of contention relates to the ontological assumptions that might underpin the agency-structure relationship.

The notion of isomorphism has been scrutinised by scholars interested in institutional logics (Friedland and Alford, 1991; Thornton, Ocasio and Lounsbury, 2012) and related sub-themes around institutional work (DiMaggio, 1988; Zucker 1988b; Lawrence and Suddaby, 2006) and institutional complexity (Greenwood, Raynard, Kodeih, Micelotta, and Lounsbury, 2011) because this work tended to focus on institutionalization as an *outcome* rather than as a *process* (DiMaggio, 2008). Early institutional reviews confirm the explanatory limitations of treating isomorphism as an outcome. For DiMaggio (1988) the puzzle was to begin to explain

institutional entrepreneurship in highly institutionalized fields whereas for Zucker (1988b) the opposite issue was observed, which was to explain institutional stability in the context of social entropy. For both the challenge was to overcome the totalising assumptions pervading previous institutional studies (DiMaggio and Powell, 1983), which meant giving explanatory attention to the way actors *mobilised* their interests to change or stabilise their social world. For Zucker this presented an opportunity to assess “self-interest introduced by non-institutional processes” (1988: 44) that for DiMaggio in contrast meant considering institutionalization as “a product of the political efforts of actors to accomplish their ends” (1988: 13). By drawing attention to these different interactional dynamics both scholars, albeit with a different emphasis, created an important point of departure for institutional scholars, which was to encourage them to re-consider and explain institutionalization *processes*.

To this end, many scholars found utility in the work of Anthony Giddens (1984) who, building on Berger and Luckman’s (1967) idea of the ‘mutual constitution of individuals and society’, developed the notion of *structuring* based on the reciprocal causality of the duality of structure (Jones, 2015). The adoption of Giddens’ ideas seemed appropriate because previous institutional scholarship that had drawn inspiration from social interactionism (Blumer, 1962) clearly resonated: “the notion of structuring was long *latent* in interactionist scholarship [while] structural duality was also *implicit* in how interactionists understood the core concepts around which they organized their research” (DiMaggio, 2008: 499, italics in original). ‘Exposing’ these conceptual links precipitated growth in structural accounts of institutionalization (Barley, 1986; Barley and Tolbert, 1997; Lounsbury and Kaghan, 2001; Sandfort 2003; Battilana, 2006; Lawrence and Suddaby, 2006; DiMaggio, 2008) and it initiated a shift in the field prompting some scholars to reject an ‘empirical agenda’ that ignored how institutions were created, altered and reproduced to one that included new

discussions of how to frame the reciprocal relationship between institutions and action (Barley and Tolbert, 1997).

While this period of reflection enabled some scholars to move beyond concerns over ‘isomorphism’ it is notable this process has only until recently included critical debate over the ontological merits of Giddens model of structuration and his interpretation of the mutual constitution of individuals and society, despite considerable – critical - deliberation elsewhere in sociology (Thompson, 1989; Layder, 1981; Cohen 1990; Archer, 1995; Stones, 2000). In many respects, interest in the ontological foundations of institutionalism has only just started to be taken seriously in the institutional field because it is only now that some scholars have begun to draw attention to the consequences of ontology for institutional research (see Mutch, Delbridge, Ventresca, 2006). In the case of Giddens’ work a counter point position based on an alternative view of *structuring* has emerged that relies on critical realism (CR) as a meta-theory (Archer, 1995; 2003). This work is distinct in so far as rather than treating institutions as the medium and outcome of action based on the duality of structure critical realists, such as Margaret Archer (1995; 2003), propose to hold social structures and agency separate, based on *analytical dualism*. These conceptual ideas have been taken up by a small number of critical management theorists involved in institutional research who have proposed the merits of treating structure and agency as distinct categories of analysis albeit related through practice to advance explanations that prioritise the historical foundations of institutional arrangements, while at the same time pushing for a more developed appraisal of the “agent” involved in social interactions (Mutch, 2007; Leca and Naccache, 2006; Hesketh and Fleetwood, 2006; Delbridge and Edwards, 2013).

In what follows my aim is to attend to the differences attentiveness to philosophy, or some element of it, might have for understanding (and advancing) institutional theory? The chapter proceeds with a brief review of those commentaries concerning the conceptual issues

facing institutional scholars interested in dealing with agency in institutional accounts. This is followed by a discussion of the way Giddens' ideas have informed recent institutional work, which is then followed by a CR counter point position and the consequences this has for the future development of the field. Such reflections provide an opportunity to consider the role and significance of different ontologies for social science research, such as institutionalism.

Tracing the debate over agency and structure in Institutional Theory

Indication of the core conceptual issues pertaining to the development of institutional theory can be gleaned from the introductory remarks made by Lynne Zucker in an edited book written following an American Sociological Society conference on the 'Problems of the Discipline' (Zucker, 1988). It is perhaps telling when outlining the book that Zucker issues a cautionary note about the two conceptual chapters (written by her and Paul DiMaggio) on institutional work, because as she comments, they are "so different that it may be difficult to see how both can be labelled institutional" (1987: xiv). Her opening remarks indicate the lack of a coherent underpinning in institutional theory, because as she noted, DiMaggio showed that much of the institutional literature assumed social systems were tightly structured while for her these same systems were more likely to suffer from social entropy. This situation seemed to confirm the limits of agreement in explaining stasis *and* change, which confirmed the newness of the discipline (DiMaggio, 1988) but also the lack of understanding of ontology or even of its significance amongst exponents of institutionalism.

According to DiMaggio the strength of institutional theory had been its focus on those parts of "organizational life that are so exteriorized and intersubjective that no actor is likely to question them" (1988: 6). DiMaggio draws attention to the early work of Selznick (1948) on norms and more latterly in the literature around taken-for-granted assumptions to explain why variation in actor interests was not deemed significant in explaining outcomes. For the most part, it was thought: "as long as action is guided by norms or constitutive expectations,

variation in actor interest will not play a role in its outcome” (DiMaggio, 1988: 5). Expectations of high institutionalization confirmed institutions constituted ‘multifaceted, durable social structures, made up of symbolic elements, social activities and material resources’ that ensured stability and shared meaning (Scott, 2001: 49), and it was because actors preferred “certainty and predictability in organizational life” that institutional change was unlikely (DiMaggio 1988: 8). While this provided a strong rebuttal to rational-actor models of agency it was also apparent that this top-down version of social order presented a narrow view of that social world. *It illustrated one mode of the agency-structure relationship rather than a statement about the range of possible sets of relationship that might emerge in different social settings.*

As DiMaggio went on to argue these foundational elements could not be allowed to set limits on what might be possible within an institutional framework. The issue concerned the introduction of agency within institutional theory, which meant establishing “the ways in which institutional and interest-based approaches to organizational change are consistent with and capable of enriching one another” (1998: 12). How agency and interest might be introduced and therefore jointly conceived was expressed as follows:

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 institution takes depend on the relative power of the actors who support, oppose, or otherwise strive to influence it... Institutionalization as an *outcome* places organizational structures and practices beyond the reach of interests and politics. By contrast, institutionalization as a *process* is profoundly political and reflects the relative power or organized interests and the actors who mobilize around them (DiMaggio 1988: 13, italics in original).

This is significant because DiMaggio suggests that institutions existed beyond simple manipulation (outcome) while change was an inherently agentic-political endeavour (process). His solution to this interactional paradox was to treat institutional work as ‘situated’ in so far as institutions tended to persist when the material or ideal interests of

actors aligned with existing arrangements and when these did not align due to emergent political interests then the potential for deinstitutionalization was likely. The implication was that the agency-structure relationship shifted in respect of 'situated' sets of institution-related processes when actors mobilised organized interests. To explain change DiMaggio suggests that actors could 'push against' institutions because the internal dynamics of institutional processes presented space for actors to bargain and negotiate, at which point new and alternative institutional forms could be envisioned.

Zucker (1988b) maps-out a different version of social order, one that emphasises social entropy. This contrasts with DiMaggio's framing in so far as his discussion draws attention to the challenge of changing institutions and hence asks institutional scholars to explain the scope for institutional entrepreneurship despite pressures towards stasis (Holm, 1995; Seo and Creed, 2002; Delbridge and Edwards, 2008; Battilana, Leca and Boxenbaum, 2009). Zucker, on the other hand, draws attention to social entropy, which means institutions tend to decay and therefore have to be 'actively' maintained (Zucker, 1988a: xv). The issue was to examine the relationship between what Zucker (1988b) described as institutional and non-institutional processes as well as multi-level discrepancies between micro and macro level processes. As Zucker described: "entropy in a social system is increased not only by the natural decay of institutional elements and by self-interest introduced by non-institutional processes, it is also increased by inconsistencies or even conflict between social order at the macro- and micro-levels" (1988: 44).

Here Zucker drew attention to distinctions between the micro and macro order, which are variations between different levels of analysis, between the actions of individuals at a local, organizational level and the broader institutions that spanned much wider tracts of time and space. Attention focused on times when the micro and macro lost 'synchronicity' when endogenous processes of decay might occur. What is interesting about Zucker's work is that

she treated levels of analysis as distinct categories of social reality albeit interconnected by social practice (Friedland and Alford, 1991). DiMaggio also argued that while institutions may be enduring institutional *processes* connected these structures with the actors involved. In each, the problem of the agency-structure relationship focused around a common dilemma albeit articulated differently of how to link institutions and actors without reverting to determinism or allowing rational-action models in through the rear door. While both wanted to conceptualise the links between actors and the social order shaping action neither developed an articulated social ontology. Instead, the issue of stasis and change in institutional analysis remained unresolved albeit with this loosely framed by the idea that institutions endure *and* decay and that in some way these *processes* inculcate actors who are not social dopes because institutions do not have totalizing effects on action.

The first tentative moves toward a social ontology of institutional theory

Moves towards specifying a social ontology of institutional theory explicitly emerged in the work of Barley and Tolbert (1997). This seminal paper mapped-out those unarticulated ontological ideas often implied in many institutional studies and reviews (Zucker, 1988a) that were now aligned with the work of Anthony Giddens (1984), as was specified in his theory of society (also see DiMaggio, 2008). Barley and Tolbert's (1997) structurational model of institutions was firmly based on a 'praxis' reading of institutionalization because it was claimed that earlier institutional work was consistent with the causal idea of the 'duality of structure' (i.e. structuring), even though much of this work focused on the outcomes of institutional processes. In particular, they argued that DiMaggio and Powell's (1983) concept of field explicitly demonstrated that "institutions exhibit an inherent duality: they both arise from and constrain social action" (Barley and Tolbert, 1997: 96). And, consistent with this they argued that fields could only be understood in terms of the interactions ensuring their

existence. For DiMaggio and Powell (1983: 148) fields only existed to the extent they were institutionally defined and institutional definition relied on *interactions* among actors and broader structures, the field; such interactions required actors to be knowledgeable (not social dopes) as they had to be aware of a shared enterprise; and structures constrained action due to inter-organizational structures of domination (DiMaggio and Powell, 1983: 148).

This interpretation presented an opportunity to specify *interactions* as the mechanism through which agency and structure connected, and in doing so, it seemed possible to resolve the ‘problem’ of earlier institutional scholarship that had treated institutions as exogenous to organizational action (e.g., Meyer and Scott, 1983; Scott and Meyer, 1987; Sutton et al, 1994; Scott and Meyer, 1994). Overcoming this issue was seen as necessary because it rectified the problem of reification when institutions were depicted “as somehow distinct from those who comply and, more importantly, from the act of compliance itself” (Barley and Tolbert, 1997: 96). Here Barley and Tolbert (1997) specified a social reality whereby institutions no longer existed separately from practice and by implication individuals could not be specified outside of a social context. Put in the context of the earlier work of DiMaggio (1988) and Zucker (1988b), the solution for accounting for institutions as *outcomes* and *processes* was to focus on the social practices that could be used to frame the connections between the institutional realm and realm of action (Barley and Tolbert, 1997).

Building on Giddens’ model but elaborating in ways that revealed earlier adaptations (see Barley, 1986) they define institutions as the “*shared rules and typifications that identify categories of social actors and their appropriate activities or relationships*” (Barley and Tolbert, 1997: 96, italics in original), which in keeping with Giddens’ meant institutions were to social action as grammars are to speech:

Speech allows for an infinite variety of expressions, yet to be comprehensible, every expression must conform to an underlying set of tacitly understood rules that specify relations between classes of lexemes. Similarly, social actions may

vary in their particulars, but to be interpretable their contours must conform to taken-for-granted assumptions about the activities and interactions appropriate for different classes of actors. (Barley and Tolbert, 1997: 96-97).

This meant institutions were enacted through scripts (Barley, 1986) - the “observable, recurrent activities and patterns of interaction characteristic of a particular setting” (Barley and Tolbert, 1997: 99) that encoded the logic of a specific setting which appeared as local variations of broader institutional principles. In this sense, institutions only became manifest when actors used them as stocks of practical knowledge to engage in social behaviour. These features of the ontology of praxis indicated actors were capable of skillful action rather than reflecting taken-for-granted norms in the manner of simple cultural dopes (Fligstein, 1997); institutions were constituted in practice, they did not exist ‘out there’ (Bourdieu, 1977; 1993; de Certeau, 1984; Giddens, 1995; Lave & Wenger, 1991) and all action was in some way set around pre-existing institutionalized rules.

While contexts revealed the imprint of institutions it was because actors were skillful they could modify them albeit depending on the unfolding context that may or may not lead to institutional change (Barley and Tolbert, 1997). These ideas offered a way to resolve the issues raised by Zucker (1988) because they accommodated ‘micro and macro processes’ that may or may not be synchronized and because the ‘political negotiations’ (DiMaggio, 1988) that implicated actors in the enactment of scripts could now be explained with reference to the skillful, knowledgeable actor.

Tensions in the ontology of practice

In developing their model it is noteworthy that Tolbert and Zucker (1997) were quite aware of the criticisms made by some scholars unwilling to treat structure and agency as a duality or *inseparable* (Thompson, 1989; Layder, 1981; Cohen 1990; Archer, 1995). Treating agency and structure as complementary features (Thompson, 1989: 58) was viewed as a key

problem in Giddens' model because, as Archer (1995: 93-94) had contended, an examination of the performance of social action resulted in *conflationism*: "By enjoining the examination of a single process in the present tense, issues surrounding the relative independence, causal influence and temporal precedence of the components have been eliminated at a stroke". Although this was believed to settle reification the approach left little room, it was argued, to explore "prior structured distributions of vested interests" (Archer, 1995: 99). This was also recognized by Barley and Tolbert (1997: 99) who stated: "Unless an institution exists prior to action, it is difficult to understand how it can affect behaviour and how one can examine its implications for action or speak of action's subsequent effects on the institution".

However, rather than deal with this ontological issue head-on they made the following – partial - concession:

Although the critics of structuration theory have aimed their critique at problems they believe to be inherent to the theory's logic and, for this reason, have sometimes argued for re-establishing the separation between structure and action that Giddens sought to transcend (Archer 1989: 103-104), we submit that the worth of the critique actually lies in the epistemological rather than the ontological issues that it raises (Barley and Tolbert, 1997: 99).

While Barley and Tolbert (1997) wanted to separate actions and structures to be able to talk about the historicity of institutions they effectively stopped short of treating these features as *distinct* because they relied on scripts to frame the connection between agency and structure. The up-shot was a 'side-step' to the ontological question of the status of actors and institutions because the instantiation argument confined explanation to the enactment of scripts that did not "allow" structure to exist as prior to action, or agency as potentially separate to total 'social specification'. A criticism of the framing of structuring from a Giddens' perspective was that while this acknowledged actors were knowledgeable it did not really consider the sets of agentic processes that explained how actors made judgments about how they navigated situations, acting creatively (or perhaps not) (Archer, 1995). The focus on

scripts was criticized because it was thought to flatten social reality despite an acknowledgement of the prior status of social structures and the importance of actors in explaining institutional stasis and change.

These criticisms are reflected in the work of a small number of critical management scholars who have begun to debate the problem of conflationism within the institutional field (Mutch, Delbridge and Ventresca, 2006; Leca and Naccache, 2006; Hesketh and Fleetwood, 2006; Mutch, 2007). These conversations reveal how questions over the nature of social reality are beginning to inform how institutional complexity and change is researched as examples of *conditioned action* (Delbridge and Edwards, 2013).

Points of contention: ontology in institutional theory

As noted, issues around ontology have percolated debates in institutional theory since the work of Barley and Tolbert (1997). To this end, an emergent body of work derived from CR has for some represented a significant move to adding 'a firmer grounding' to current theorizing (Palmer, Biggart & Dick, 2008). This ontology is based on the analytical dualism of CR, which in recognizing the pre-existence of social structures provides the conceptual framework for empirical investigation into *how* such structures, such as institutions 'impact' agents. This is based on the basic idea that to explore how actors, with differing perceptions and depth of knowledge of their contexts engage in institutional processes, it is necessary to commit to an empirical strategy that specifies such processes according to: structure, social interplay and outcome. This is consistent with a diachronic model of social reality but differs in important ways to that specified by Barley and Tolbert (1997) because specific attention is given to explaining how institutions pre-date action and in treating actors as distinct categories of analysis. The key distinction is that while such a view recognises the importance of practice in terms of process the analysis is not restricted to those social

interactions. This is because the analysis explores the structural condition of action and then looks at how actors engage in practice given the relationality between social structures and the reflexive capacities of actors (Archer, 2003). The key difference is that attention is given to the context of interaction (before that interaction) and to the reflexive abilities of actors as a feature of their institutional biography (Suddaby, Viale, and Gendron, 2012) as well as their social positioning (Archer, 2003).

CR and analytical dualism

The challenge facing scholars interested in proposing a CR ontology for institutional analysis is captured by Hesketh and Fleetwood (2006: 683, italics in original) when they state:

Establishing the connection between critical realism and institutional theory is difficult not only because there are many versions of institutionalism, but also because critical realism, as a philosophy of science, inhabits a *meta*-theoretical domain, whereas institutionalism inhabits a theoretical domain: the role of meta-theory is to interrogate the pre-suppositions of any theory.

In this respect, Nielsen (2001) offers a useful review of different institutional theories or approaches, which allows him to confirm that in most cases other than institutionalism in political science (because of its commitment to positivism) such approaches are compatible with CR in respect of the following points. First: “Human agency is seen as purposeful, or intended rational, endowed with some freedom to deliberate or choose in accordance with individual psychology rather than, on the one hand, as irrational, automatic rule-followers or totally encapsulated in an externally defined role or, on the other hand, rational in the sense of isolated maximizing “economic man”” second: “they emphasize the constitutive importance of the cultural and cognitive framework”, third: “they recognize the central and pervasive role of power and conflict” and finally, “they focus on the role of institutions such as habits, routines, and norms in the coordination of behaviour” (p 512). As might be noted these same

conditions are commensurate with Giddens' structuration model; the difference for scholars of CR is in the way these features are conceived in terms of their specificity and relationality and therefore how they inform research practice.

CR is a meta-theory rooted in ontology that asserts: "The social world consists of human agents and social structures by which we mean institutions, mechanisms, resources, rules, conventions, habits, procedures and so on" (Hesketh and Fleetwood, 2006: 685). To explain the transformational nature of the social world critical realists recognise that social systems can be either open or closed, which resonates with the commentaries of DiMaggio (1988) and Zucker (1988b). In the case of closed systems it is assumed that relationships and activities are highly regular, much in the same way as described by DiMaggio when referring to isomorphism. However, critical realists also acknowledge, as with Zucker (1988b) that the more common situation is when social systems are open and therefore lack event regularity (Fleetwood and Hesketh, 2006). In the case of open systems critical realists follow a different 'script' to those advocating structuration theory. This is described by Thompson (1989: 74):

To explore the space between the differential distribution of options, on the one hand, and the wants and needs of different kinds and different categories of individuals, on the other, is to examine the degrees of freedom and constraint which are entailed by social structure. Such an analysis would show that, while structure and agency are not antinomies, nevertheless they are not as complementary and mutually supporting as Giddens would like us to believe.

How this is achieved relies on a different notion of social reproduction as compared to Giddens' interpretation of 'structuring'. For critical realists, rather than rely on the causality of the duality of structure the focus is 'analytical dualism', which is a 'method for examining the interplay between these strata; it is analytical precisely because the two are interdependent but it is dualistic because each stratum is held to have its own emergent properties' (Archer, 1995: 133-134). CR is based on the main assumption "that structure necessarily predates the action(s) which transform it". What this means is that institutions are "neither the

creation of contemporary actors nor are ontologically reducible to ‘material existents’ (raw resources) and [not] dependent upon current acts of human instantiation (rule governed) for all their current effects” (Archer, 1995: 138). This is different to Giddens’ assertion, because “social systems only exist through their continuous structuration in the course of time” (Giddens, 1979: 217).

In CR, institutions are the ‘generative mechanisms’ that give rise to social outcomes as empirical tendencies. The relationship between institutions and action is explained using a *stratified ontology*. Institutions condition action in specific ways because the meta-theory of CR specifies three ontological domains: the real, the actual and the empirical. Institutions constitute the real domain, which for critical realists cause social interactions (the domain of the actual) that are the subject of empirical observations (the domain of the empirical). The link between institutions and action is not straightforward because different societal orders may only function within a particular range of constraints, which as Archer (1995: 149) has noted means: “the emergent properties of structures and the actual experiences of agents are not synchronized”.

Analytical dualism asserts there are *discontinuities* in the institutionalization process that indicate ‘before’, ‘during’ and ‘after’ moments. This reformulation of ‘structuring’ as discontinuous means that institutions have “emergent properties which are irreducible to the doings of contemporary actors, yet derive from the historical actions which generated them, thus creating the context for current action” (Archer, 1995: 139). This is the same for actors as they too are treated as in some part autonomous from the process of institutionalization. In this respect, the most recent work by Archer (2003) has added further ‘meat’ to the CR meta-theory with greater attention being given to the concept of agency. These developments have also helped institutional scholars address the way in which Giddens’ frames actor

knowledgeability because Archer (2003) draws attention to the ‘reflexive capacity’ of actor’s and their ability to see opportunities where others in the same position only see barriers.

Archer’s work has been embraced by some scholars because she offers an insight into the properties and powers that are possessed by individuals as opposed to those pertaining to social forms. In particular, she draws attention to the range for reflexive deliberation available to actors, which is viewed as important because ‘agents have to diagnose their situations, they have to identify their own interests and they must design projects they deem appropriate to attaining their ends’ (2003: 9). This for some might appear to imply a reified representation of individuals but instead is a major feature of the CR project because it is assumed that no social structure “is constraining or causal tout court” (Hesketh and Fleetwood, 2006: 692). By holding agency and structure apart and treating each as having distinct emergent properties CR sets out to explain those distinct components that come together in social interaction but in ways that treat them as analytically separate.

For Archer (2003), individuals embark on ‘agential enterprise’, which for that person is a personal project. Such projects are important because when actors deliberate over them they engage in a personal process that identifies the causal mechanisms – institutions and social structures – that connects to *their* agency (Hesketh and Fleetwood, 2006: 692). While institutions may have the power to facilitate or restrain action the significance of this power is contingent on those actors who conceive their projects. This means that institutions do not determine action rather such social structures shape action *in-relation* to the agentic properties of those engaged in action.

Ontology shaping research: A case example

An example of this CR inspired approach in the institutional literature is elaborated by Delbridge and Edwards, (2013) when they report on their research into the superyacht field.

Here, they explain the historical development of the industry to explain variability in agency within different project arrangements. We see how their CR inspired treatment of agency and structure aids explanation by first giving attention to the ‘structural conditions’ that pre-date action:

The importance of treating agency as discrete for analytical purposes in relation to organizational and plural institutional settings became apparent when we looked at the emergence of two different types of project – custom and in-house. Up until the early 1970s, yachts for the wealthy were designed, decorated and built in-house by a small number of European and American shipyards. It was only after the intervention of Jon Bannenberg that custom-built vessels emerged as a legitimate industry offering. Custom projects involve the shipyard with an independent designer in building a one-off yacht for a client, while in-house projects are conducted by the shipyard and their own design team, often building to an established formula. Each project type involves different levels of regulation associated with contractual arrangements and how actors engage in negotiations. For example, projects which rely on in-house shipyard designers for the creative input provide an environment where concerns over economic cost and efficiency... are prevalent in shaping design... However, in custom projects involving independent designers, rather than builds being shaped by risk and cost assessments set by the shipyard, there are usually moves to push the boundaries of the design and budget envelope. Under these conditions, which are characterized by a network arrangement (the independent designer is contracted to the client, not the shipyard), designers exercise their professional interests thereby involving the shipyards, their engineers and the client in potentially complex negotiations informed by varying expectations on aesthetics, functionality and cost (Delbridge and Edwards, 2013: 931).

This historical analysis of two project arrangements – custom and in-house – confirm the tensions between different actors engaged in the same design and build process. The brief overview draws our particular attention to the configuration of organizational structures that shape subsequent social practices and it is because these pre-date action it is possible to show how different arrangements reveal different structures of domination relating to professional and market rules. This formulation necessarily maps-out the historicity and contentions that are often implicit in institutional processes (DiMaggio, 1988). However, these structures do not determine action because as Delbridge and Edwards (2013) go onto demonstrate some shipyard owners and willing designers created a new third project arrangement that meant the

shipyard commissioned designers prior to finding a client for the vessel ensuring the risks associated with innovative design (custom builds) was largely negated:

In recent years, several independent designers working with a well-established shipyard have introduced a new way of commissioning, which is to develop limited series of boats that have been ordered by the shipyard rather than a private client. The new project indicates the potential for actors working in particular actor positions to reflect further on their social worlds and to find alternate project arrangements to organize the design-and-build process. On this occasion, a well-resourced shipyard challenged the status quo in terms of the role of independent designers but did so with the co-operation of established and highly reputed designers who had a long-term relationship with the shipyard (based on custom builds). This was an opportunity for the shipyard management to shift the relations by co-opting the independent designers to work for them as the 'client'. Interestingly, this worked both ways; while the new relations enabled managers to take control of the commissioning process, much in the same way as in-house projects have for other shipyards, it suited the independent designers as this guaranteed economic rents. Such changes show how *established institutional arrangements* are not static and that the motivation for change can be driven by the *reflexive deliberations* of actors deeply embedded within the field (Delbridge and Edwards, 2013: 931, italics added).

The reflexive deliberation of actors is a separate but necessary category in explaining the scope for agency. The process of developing limited series boats could not be adequately explained by the interactions of the designer and shipyard without first allowing conceptual space to explain the origins of these arrangements nor would it be sufficient without due care being given to the reflexive performance of the designer and shipyard managers. The reason why these actors decided on this course of action is explained around the 'interplay between the subjective world of agents and the objective and independent world of social structures and institutions' (Hesketh and Fleetwood, 2006: 693). This formulation confirms the actions of agents are framed by increasing levels of complexity specified by the project arrangements and competing institutionalized rules around design and economics but at the same time the focus on interactions allow access to the agentic moves of different actors despite this complexity.

Some implications of this alternative ontology for institutional studies

Analytical dualism provides an alternative to the causality of the duality of structure and as such provides an alternative to explaining how institutions and agency as distinct yet interconnected levels of social reality connect (Archer, 1995; 2003). While scholars of CR see considerable potential in this meta-theory others continue to see problems with ‘reductionism’ and ‘reification’ in the ontology (DiMaggio, 2008). However, there is growing evidence that scholars are also seeing problems in the focus on social practice. This is recognized by Hallett and Ventresca (2006: 229) who concede that the focus on interactions runs the risk of obscuring wider structures in the assessment of local interactions. This is echoed by Reed (2012: 206) who warns that our understanding of power elites, for example, must “be focused on the relations and interactions between corporate agents who have the ‘structural place’ and ‘organizational power’ (Archer, 2003) to shape the governing structures and regimes through which the everyday lives of citizens are ordered and managed”. This does not mean that the focus of analysis is simply those interactions but must reveal “*the complex interplay between established structures of domination, the elite ruling strategies and relations that emerge from creative engagement with the latter, and the modes of resistance which they, in turn, engender on the part of corporate agents formally excluded from the process and practice of elite rule*” (Italics in original). The existence of enduring structures of domination confirm, it is argued, the “structural” elements that exist prior to and independent of practice albeit their continued existence (or transformation), which relies on their causal power will necessarily be mediated through human agency.

In presenting CR as a providing a distinct ontology for institutionalism, which has been based on a criticism of Giddens’ particular account of structuring it should be recognized that the “third way” that has been associated with CR in management studies (Reed, 2005) has not been without criticism by other critical management scholars (Contu

and Willmott, 2005) who are not convinced by the ontological benefits just outlined. For these commentator's critical realists (and by implication advocates of CR for framing institutional theory) need to explain with greater clarity the pre-existence and 'independence' of the generative mechanisms that are thought to generate and shape events. The problem is that in proposing that generative mechanisms constitute the ontological domain of the real this demands that we accept the real *a priori* – it is a truism and so confounds adequate explanation (Contu and Willmott, 2005: 1649). Despite these problems the same protagonists recognize that CR does begin to throw light on questions such as “why is the world the way it is” and as such frame concerns over points of domination. In the case of the work of Delbridge and Edwards (2013) such questions allow us to unpack enduring power relations and struggles among different professional groups and how specific shipyard managers and independent designers have leveraged influence to overcome economic barriers and meaning systems to create a new type of superyacht offering. While there is no doubt for some the problem of meta-theory in CR is the assumption of the domain of the real it is also apparent that despite this the move to ask questions about the way institutionalization is by keeping agency and structure apart does offer opportunities to develop institutional theory in new directions.

Conclusions

This chapter has set-out to broadly map the ontological foundations of institutional theory following work on isomorphism (DiMaggio and Powell, 1983). This is significant because ‘ontology matters’: opinions about the way the social world is informs how we make sense of key relationships and the role of power in institutional processes. As I hope to have shown in this brief and stylised discussion these questions have remained largely obscured because there has been a reluctance to confront them. Once placed under the spotlight it is

apparent that whilst there is unwillingness to countenance the possibility of reductionist approaches there is also a realisation that institutions are historical and therefore seemingly exist 'out there' at least as 'prior' features of the social world. This tension continues when understood from a praxis perspective because for some scholars - advocating a CR meta-theory - the idea of the duality of structure restricts our understanding of the *various* ways actors and structures link and operate. The debate that is now gradually emerging concerns how we deal with the agency-structure relationship, which is a marked advance from where institutional scholars were at the end of the 1980s. What remains to be seen is how studies from these distinct 'structuring' schools of social reality – such as those inspired by Giddens and Archer - inform institutional scholarship into the future and what distinct contributions each make because of the differing ontological foundations (and problems associated with them) of that work.

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