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Dynamics of Organizational Practices and Identities

Introduction

In this chapter, we develop theory about how the dynamics of organizational practices and identities within and across organizations relate to institutional logics. From the inception of the institutional logics perspective, the concepts of practice and identity have both been integral (Friedland and Alford 1991). However, while they provide important conceptual focal points for scholarly research, most research to date has not effectively analyzed how institutional logics shape and are shaped by the material instantiations of logics—the practices and identities of concrete actors. In this chapter, we argue that practices and identities are fundamentally interrelated with institutional logics, and that concrete behaviors related to identities and practices are usefully understood via their relation to institutional logics in a given empirical setting. While the conceptual relationships we posit between institutional logics on the one hand and identity and practice on the other are meant to be general, theoretical development in this chapter will focus on organization-level processes.

Over the past couple of decades, diverse and growing scholarly attention has been paid to *practice* across the social sciences (see, e.g., Schatzki, Knorr-Cetina, and von Savigny 2001). For many social theorists, practice is a key concept that links broader cultural belief systems and social structures (including institutional logics) to individual and organizational action (e.g., Bourdieu 1977, 1984). *Practice* refers to forms or constellations of socially meaningful activity that are relatively coherent and established (see, e.g., MacIntyre 1981). A distinction is often made between *activity*, which refers to more mundane behaviors or everyday work, and *practice* which refers to a set of meaningful activities that are informed by wider cultural beliefs (e.g., Engeström 1999; Jarzabkowski 2005). Lounsbury and Crumley (2007: 995) elaborate that

“activity involves acts that are generally devoid of deeper social meaning or reflection such as pounding a nail, while practice, such as professional carpentry, provides order and meaning to a set of otherwise banal activities.”

While much of the research on practice is motivated by anthropological or ethnological understandings of human action (e.g., Bourdieu 1977; Geertz 1995; Ortner 1984), much empirical work in organizational studies and management does focus on individual behavior, institutional work, and practices in a way that tends to bracket wider societal dynamics (Jarzabkowski 2004; Weick, Sutcliffe, and Obstfeld 2005; Whittington 2006). An institutional logics perspective emphasizes the nestedness of levels of analysis, and the need to understand individual and organizational behavior as always embedded in and influenced by societal context (Friedland and Alford 1991). This nestedness is reflected in the assumption of a fundamental duality between logic and practice, where constellations of relatively stable material practices provide core manifestations of institutional logics (Breiger 2000; Friedland 2009a; Mohr 2000). For instance, “democracy is concretized through voting, which is both a way in which people ritually enact the symbolic system (i.e., the institutional logic of democracy) and a means by which they attempt to control those who rule them” (Friedland and Alford 1991: 249).

However, practices are not merely determined reflections of institutional logics; they are also tangible focal points for shifts or alterations in institutional logics (see e.g., Friedland and Alford 1991: 254–5). For example, in their analysis of the emergence and fall of Clinton’s health care proposal in the United States, Nigam and Ocasio (2010) highlight how changes in practices went hand in hand with sensemaking and theorization, historically guided by physician and managed-competition logics, ushering in a new logic of managed care in the U.S. hospital field. This research suggests that while practices are guided by existing institutional logics, as existing practices are altered or new ones are established, they play a key role as exemplars in creating, reproducing and transforming institutional logics. Our perspective sees order as problematic (akin to Boltanski and Thévenot 2006) and views institutional logics much like German institutionalists conceptualize *Leitideen* [translated as guiding orientations]—more or less institutionalized, with various manifestations (such as in practice), and always in flux (see, e.g., Lepsius 1996; Rehberg 1997).¹

Institutional logics also provide a key foundation for the identities of organizations, groups, and individuals (Thornton 2004; Thornton and Ocasio 1999). While institutional logics guide *how to act* in a particular situation,

¹ We thank Renate Meyer for pointing out this connection to German institutionalism.

the concept of identity focuses more on the question of *who we are*. Given the vastness of the identity literature, we will mainly concentrate on linkages between logics and organizational identity. The literature on organizational identity is bifurcated into two main branches (see Glynn 2008 for a review). One branch focuses mainly on intraorganizational dynamics, emphasizing how the identities of individual organizations are idiosyncratic and can be understood by identifying central, distinctive, and enduring organizational attributes (Albert and Whetten 1985). Of course, organizations consist of variegated individual, group, and social identities, and thus, in-depth studies of organizational identity also appreciate the complexity of identity issues at multiple levels (e.g., Ashforth and Mael 1989; Hogg and Terry 2000; Mead 1934; Tajfel and Turner 1986). Recent studies have highlighted how actors may rework or alter their identities to make sense of or resolve the tensions they face from competing institutional logics (e.g., Battilana and Dorado 2010; Lok 2010).

The other branch is more macro and relational, emphasizing how organizations often resemble each other as a result of being part of a common *collective identity* that is bound together by shared cognitive and normative orientations (e.g., Pratt 2003; Wry, Lounsbury, and Glynn 2011). Collective identities refer to groups or categories of actors that can be strategically constructed and fluid, organized around a shared purpose and similar outputs (see Cornelissen, Haslam, and Balmer 2007). Collective identity creation and change can sometimes be usefully conceptualized as a social-movement-like process (see, e.g., K. Weber, Heinze, and DeSoucey 2008), where actors promote a specific understanding about an identity, link this understanding to specific logics and practices, and work to attract potential adherents to the identity (Polletta 1994; Polletta and Jasper 2001). Collective identities enable internal and external audiences to distinguish between kinds of organizations: for instance, restaurants that focus on classical versus nouvelle cuisine (Rao, Monin, and Durand 2003), mutual funds managed under the influence of Boston trusteeship versus the speculative ideology of New York (Lounsbury 2007), and small liberal arts colleges versus large research universities (Kraatz and Zajac 1996). Even though micro and macro approaches remain relatively disconnected, we embrace both, encouraging research that bridges between them.

While institutional logics shape collective as well as individual organizational identities, like the practices discussed above, shifts in these identities can also catalyze changes in logics. We argue that changes in practices and organizational identities often go hand in hand, and a more complete understanding of the effects and mutability of institutional logics requires attention to both. Mohr's work (e.g., Mohr 1994; Mohr and Duquette 1997; Mohr and Neely 2009) is exemplary in this regard, showing how linkages between identities embedded in social classification systems and organizational

practices of social relief agencies provide the foundation for institutional logics guiding New York charities around the start of the 20th century, and that change in institutional logics often entails a concomitant shift in underlying identities, practices, and their linkages. Note that institutional logics and practices and identities are loosely coupled (see e.g., Binder 2007; Hallett 2010; Hallett and Ventresca 2006a; Orton and Weick 1990; Weick 1976), and that how and to what extent changes in logics relate to changes in identities and practices is a matter of empirical investigation and a topic on which we need further research and theoretical development.

Nonetheless, by directing attention to how efforts to alter practices and organizational identities facilitate changes to and reconfigurations of institutional logics, the institutional logics perspective facilitates a systematic understanding of ongoing institutional maintenance and change. As institutional research shifted away from a focus on isomorphism and mimicry over the past two decades, too often processes of isomorphism were counterposed to processes related to institutional transformation and change where powerful institutional entrepreneurs became key protagonists (e.g., DiMaggio 1988; T. B. Lawrence and Suddaby 2006; for reviews, see Hardy and Maguire 2008 and Battilana, Leca, and Boxenbaum 2009). However, institutional constraints are often quite powerful, and it makes little sense to replace a more structuralist institutional perspective with a more narrowly conceived focus on agents or practices (Schneiberg 2007; Schneiberg and Lounsbury 2008); the institutional logics perspective seeks integration with wider scholarly developments associated with research on practice and organizational identity to develop a more balanced institutionalist approach to structure and agency. We build upon some of this work and extend the theoretical model developed in chapter 4 by sketching an approach to how a myriad of complex social interactions, including decision making, sensemaking, and collective mobilization, mediate between institutional logics and the dynamics of organizational practices and identities.

From Social Interaction to Practices and Organizational Identities

Neoinstitutional theory emerged as part of a "cultural turn" that rippled through many social science and humanities disciplines in the late 1970s and early 1980s (Friedland and Mohr 2004b). While neoinstitutional research gravitated towards the study of broader organizational systems such as industries and fields, cognate scholarly conversations on organizational culture, identity, and practice also took root and blossomed in relatively segregated research communities. As a result, very little interchange occurred across

scholarly camps. For instance, while neoinstitutional articles often invoke the notions of organizational identity and practice, these concepts have been conventionally "black-boxed." Researchers mainly focused on practices as institutionalized, static elements that diffused across an organizational population. Similarly, organizational identities—mainly collective organizational identities—were treated as static constraints that distinguished kinds of organizations based on such characteristics as status, consequentially affecting the trajectory of practice diffusion (see Strañg and Soule 1998 for a review). This more structural emphasis on institutionalization processes and isomorphism resulted in a number of calls to study the role of actors in creating and promulgating practices and identities (e.g., DiMaggio 1988; Greenwood and Hinings 1996; Hirsch and Lounsbury 1997; Scott and Christensen 1995).

The institutional logics perspective provides an embedded-agency approach that locates the identities and practices of actors within broader cultural structures that both enable and constrain behavior (see Hallett and Ventresca, 2006b for a similar conceptualization). For instance, practices such as sacraments, atonement and purification rites, and organizational identities such as Pentecostal or Palmarian Catholic Churches are best understood by their relation to religious logics. Practices and identities related to exchange of goods and services take on a fundamentally different character depending upon whether they are informed more by a market, state, or community logic (e.g., Braudel 1979; Hamilton and Biggart 1988).

For research on institutional logics, a focus on practice and organizational identity is important because logics only have effects and become tangibly manifested in concrete settings through the ongoing enactment of practices and identities (Mohr 1994; Mohr and Duquenne 1997). Given that organizational practices and identities are not static, but continuously subject to change and alteration (e.g., Feldman 2003; Orlikowski et al. 1995), zooming in on the dynamics of practice and organizational identity is important to understanding stability and change in institutional logics (see also Jarzabkowski 2004; Jarzabkowski, Matthiesen, and van de Ven 2009). As emphasized in chapter 4, available institutional logics provide the cognitive and symbolic elements that actors employ in their social interactions to reproduce and alter practices and organizational identities. Of course, while there may be a panoply of institutional logics available, some logics will be more or less cognitively accessible to actors depending upon their experience and how they are situated in an institutional field.

To reiterate, a key premise of our perspective is that institutional logics and organizational practices and identities are fundamentally interrelated. Change in organizational practices or identities may be triggered by shifts in, or instability among, institutional logics in a particular setting, and more localized changes in organizational practices and identities introduced as a result

of practical exigencies in the everyday enactment of practices and identities may reverberate to alter the configuration of institutional logics in a setting. The introduction of practice and identity variation or change can create ambiguity that garners the attention of actors and catalyzes social interactions aiming to resolve the ambiguity generated. Based on how attention is directed, as well as how identities, goals, and schemas are activated, social interactions triggered by either exogenous events or endogenous processes provide the key motor that reproduces, alters, or transforms practices and organizational identities. However, such social interactions can often be quite complex, and involve a variety of interconnected mechanisms and processes that unfold over time and across space.

As was indicated in chapter 4, such social interactions can include decision making, sensemaking, and collective mobilization. Decision making focuses on the processes by which attention is directed to problems, and how problems are matched with solutions in decision situations (Simon, 1947; March and Simon, 1958; Cyert and March 1963). Sensemaking refers to ongoing retrospective processes that rationalize organizational behavior, helping to resolve ambiguity in ways that enable activity to occur (e.g., Weick, Sutcliffe, and Obstfeld 2005; K. Weber and Glynn 2006). Collective mobilization involves a set of mechanisms by which actors generate shared commitments and energy to contest or promote particular aspects of organizational life (G. F. Davis et al. 2005; Rao, Morrill, and Zald 2000; Schneiberg and Lounsbury 2008). In the remainder of this chapter, we develop two process models to guide future institutional logics research on the dynamics of practices and identities within and across organizations. We highlight how these three mechanisms—decision making, sensemaking and collective mobilization—play a key role in linking more rudimentary social interactions to broader efforts to maintain, reconfigure, or transform organizational identities and practices.

The Dynamics of Practices and Identities in Organizations

Jackall (1988) highlighted the utility of the intraorganizational study of logics, showing how competition for power, status, and position by careerist managers in organizations facilitated the reproduction of hierarchy-reinforcing practices and status distinctions (i.e., identities) linked to the patrimonial bureaucratic logic. More recent work has begun to explore how particular organizations establish or alter their identities and core practices under conditions of contending or coexisting institutional logics (e.g., Battilana and Dorado 2010; Glynn and Lounsbury 2005; Lok 2010; Pache and Santos 2010; Tracey, Phillips, and Jarvis 2011). However, the study of how institutional logics relate to the intraorganizational dynamics of practices and

identities remains an underdeveloped yet promising area of research (Kraatz and Block 2008; Greenwood et al. 2011).

Here, we sketch out an institutional logics approach to the dynamics of practices and identities in organizations that probes the guts of organizations without neglecting wider processes and influences that shape intraorganizational behavior (Stinchcombe 1997). While the "old" institutionalism of Selznick (e.g., 1949, 1957) and his contemporaries provided rich case studies of individual organizations that featured influence, coalitions, power, informal structures, and values (Hallett and Ventresca 2006b), the "new" institutionalism refocused attention on wider institutional processes that eschewed the uniqueness of organizations and organizing, as well as the in-depth study of organizations (DiMaggio and Powell 1991). While productive, this shift led to concerns that the baby might be thrown out with the bathwater, and several scholars began to urge of reconciliation of the old and new institutionalisms in a way that appreciated the importance of both organizational context and action (Greenwood and Hinings 1996; Hirsch and Lounsbury 1997; Kraatz, Ventresca, and Deng 2010; Selznick 1996; Stinchcombe 1997).

For example, Greenwood and Hinings (1996) developed a framework to study radical organizational change that emphasized the need to account not only for wider institutional pressures, but also for the endogenous dynamics within organizations related to interests, values, power dependencies, and capacity for action. This requires a focus on concrete actors (i.e., people) and their interactions in the context of bureaucratic structures, status distinctions, informal networks, and occupational and professional commitments. To wit, Binder (2007: 568) argues that

Logics are not purely top-down: real people, in real contexts, with consequential past experiences of their own, play with them, question them, combine them with institutional logics from other domains, take what they can from them, and make them fit their needs.

Lounsbury and Kaghan (2001) contemplated what a "field-level ethnography" might entail, arguing for attention to both wider institutional processes as well as organization-level behavior. They suggested that in combining the new and old institutionalisms, scholars must appreciate the richness of the old institutionalism, which includes not only the social organization tradition of Selznick (e.g., 1949), Gouldner (e.g., 1954) and Stinchcombe (e.g., 1965), but also the old Chicago School social ecology approach of Hughes, Strauss, and their contemporaries and students (e.g., Dalton 1959; Hughes 1971; Star 1992; Strauss 1978; see Barley 2008 for a recent review of the literature celebrating the old Chicago School).

Despite these calls, penetrating institutionally sensitive case studies of intraorganizational dynamics remain a rarity. A small handful stand out.

For instance, Heimer (1999) highlighted how the impact of law in neonatal intensive care varied based on how competition between the institutions of law, medicine, and family was resolved, and how legal actors were able to infiltrate and influence medical decision making. Combining social movement and institutional ideas, Kellogg's (2009) ethnographic investigation of two hospitals showed how efficacious responses to new regulations required relational spaces that enable collaboration between middle-manager reformers and subordinate employees. Zilber's (2002) ethnography of a rape crisis center highlighted how new therapeutically oriented employees acted as carriers of new institutional meanings that challenged and reformed practices, as well as the center's identity, that were closely linked to feminist ideology. Colyvas and Powell (2006) marshaled systematic archival data on the intraorganizational practices of Stanford University over a 30-year period, showing how the boundaries between public and private science were remade to enable technology transfer and commercialization to be a legitimate activity for academic scientists.

We believe that the richness of this contemporary work provides a nice foundation for a more systematic institutional logics research agenda on how broader societal influences relate to intraorganizational dynamics. Figure 6.1 offers a theoretically oriented process model, providing a focus for such an agenda. It is not intended to be exhaustive, but to illustrate some fruitful directions for future research on how institutional logics relate to the dynamics of practices and identities inside organizations. We conceptualize organizational identity and practices as the key conceptual linkages between institutional logics and intraorganizational processes. We assume that the identities and practices of individual organizations are influenced by how an organization is situated in an institutional field or amidst varied institutional fields.

We assume that each institutional field (developed further in chapter 7) consists of one or more available logics, as well as an array of appropriate collective organizational identities and practices from which individual organizations assemble their particular identities and practices. That is, each institutional field may have a unique constellation of X-axis institutional orders as well as Y-axis elements (see chapter 3). To the extent that an organization is affiliated with multiple institutional fields, its identity can be more idiosyncratic, but perhaps also more heterodox, entailing the need to manage more diverse institutional pressures (Greenwood et al. 2011). The key point of emphasis is that organizational identities and practices are not conceptualized as purely localized phenomena, but are institutionally constituted and shaped.

In a sense, extant institutional logics, collective identities, and practices in an institutional field provide a symbolic grammar, and can be drawn upon as

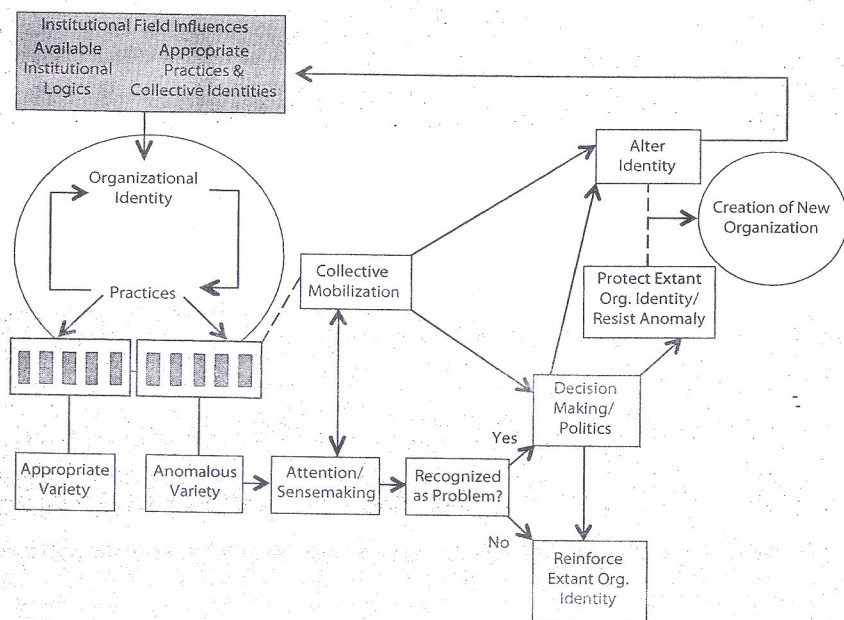


Figure 6.1. Endogenous Dynamics of Practices and Identities Within Organizations Adapted from Lounsbury and Crumley (2007)

from a toolkit (Binder 2007; Swidler 1986) to construct optimally distinct (Brewer 1991) and legitimate (Lounsbury and Glynn 2001) organizational identities in a field. For instance, aspiring French chefs who seek to create a new restaurant may choose from different professional logic variants linked to the collective identities and practices of haute versus nouvelle cuisine (Rao, Monin, and Durand 2003). To the extent they draw upon and practice these cuisines in unique ways, or combine practices across both collective identities and logics, they may cultivate an individual organizational identity that is distinctive within their institutional field (King, Clemens, and Fry, 2011; Navis and Glynn, 2010; Pederson and Dobbin, 2006).

And while institutional logics and appropriate collective identities and practices are both enabling and constraining for individual organizational identities and practices, organizational identities also provide constraints on the range of appropriate practices within an organization since many social actors strive for consistency with regard to how practices articulate core organizational identity beliefs (Gioia and Thomas 1996). To the extent that institutional fields are informed by plural logics, the degree of variation across organizations will be greater; that is, organizational identities and practices are

more likely to be distinctive (see Pratt and Kraatz 2009 on the organizational self). Assuming a reasonably established and coherently understood entity, an organization's identity and the implementation and reproduction of core practices will be relatively stable, and will reflect available institutional logics, practices, and collective identities.

We believe that a useful way to study the intraorganizational dynamics of organizational identity and practices is to focus on how variation occurs in the array of practices employed (Ansari, Fiss, and Zajac 2010; Lounsbury 2001). Variation in practices can result from exogenous shifts in logics, collective identities, or practices in an institutional field, or can result from the internal political dynamics of an organization (Greenwood and Hinings 1996) or performativity—that is, the modification of routines and practices as they are performed (e.g., Feldman 2003; Feldman and Pentland 2003; Orlikowski 2000). Most variation in practices may be relatively unproblematic and go unnoticed, facilitating automatic processing of information (Zucker 1977). In fact, even if variation is noticed, recent work in the sociology of culture indicates that there may be a high tolerance for variety-related ambiguity or inconsistency (Cerulo 2002). But in some cases, practice variation can become anomalous and problematic, triggering active efforts to make sense of the resultant ambiguity in practices (Weick 1995). Of course, the conditions under which practice variety becomes socially recognized as problematic is an important empirical question that can connect research on institutional logics to scholarship in cognitive psychology, managerial and social cognition, and cultural sociology (e.g., see DiMaggio 1997; Hodgkinson and Healey 2008).

As ethnomethodologists and social psychologists have shown, when discrepant cues accumulate, actors use deliberate evaluations to deal with experiences that are inconsistent with their schemas (Garfinkel 1967; Fiske and Taylor 1991). As a result, actors may construct new social representations to accommodate anomalous stimuli and reduce ambiguity (Moscovici 1984). This requires explicit decision making on the part of organizational managers, who must consciously and strategically revise not only interpretive schema (Ranson, Hinings, and Greenwood 1980), but also information-processing approaches, as well as decision-making criteria. This can ultimately alter the institutional logics that an organization accesses, as well as how an organization draws upon logics to refashion its identity.

For instance, as the U.S. mutual fund industry experienced the rise of a market-oriented professional logic and aggressive growth fund practices in the 1950s and '60s that provided the foundation for a new collective identity (see Lounsbury 2007; Lounsbury and Crumley 2007), individual mutual fund firms that had previously operated under a professional trustee logic faced the anomalous development of new kinds of investment practices linked to

the market-oriented professional logic. As Lounsbury (2007) showed, the trustee logic emanated from the profession of Boston Trusteeship and became a dominant logic in the early U.S. mutual fund industry. The trustee logic focused on passive investment strategies and intergenerational transfer of wealth, and took root almost exclusively in Boston where the mutual fund industry was centered in the 1920s and 30s. The rise of the professional-market logic and more speculative forms of mutual fund investing took shape mainly in New York, and was seeded by the professionalization project of money managers that included the development of theories of risk linked to microeconomics and the development of money manager credentialing. These two logics were competing and shaped fundamentally different cognitive orientations, practices, and decision-making triggers in Boston- versus New-York-based funds.

Over time, these two logics became more equally accessible to all actors and linked in a more complementary way as mutual fund firms tried to develop a portfolio of funds that included more passive funds (e.g., index, money market) alongside more aggressively managed funds. Grow's (1995) account of the mutual fund sponsor Putnam illuminates this process within a particular organization. Putnam had been established in 1937 with a very conservatively oriented fund—the George Putnam Fund—but decided to create a second fund, the Putnam Growth Fund, in 1958. While they initially tried to manage this new fund as they had managed the older fund, by employing long-term buy and hold investment approaches linked to a trustee logic, young securities analysts in the firm who were trained in the newly developed art of risk management sought to introduce more speculative, performance-oriented investment practices that challenged the management authority of the senior officers. Ted Lyman, one of Putnam's securities analysts, noted:

We had two Funds and no manager of any one of them. Instead the Funds were run by a committee. [We—the research group] felt the Funds should no longer be run this way. Results had been disastrous. There was no real portfolio planning. There was no assessment of overall volatility as no one was looking at portfolio risk characteristics. (Grow 1995: 262)

The social interaction mechanisms of sensemaking, decision making, and collective action all became visible as the rise of a new logic in the mutual fund industry played out inside of Putnam. Firstly, collective action occurred as young securities analysts mobilized to contest and alter firm investment management practices; thus, anomalous variation in practices can also be proximately catalyzed by intrafirm collective mobilization, in this case enabled and facilitated by broader shifts in industry logics. These rogue efforts of securities analysts catalyzed sensemaking as top managers at Putnam tried to understand the nature of broader industry developments related to growth

funds, how other firms might be incorporating new risk-management techniques and portfolio-management practices, and how to react to the securities analysts' internal mobilization.

This sensemaking played out for several years as top management initially resisted the efforts of the securities analysts, and then ultimately relented to allow novel portfolio-management practices which included the devolution of power to individual money managers promoted from the ranks of securities analysts (as opposed to a committee of top managers). The intraorganizational negotiations and politics are key grist for Carnegie School understandings of decision making (Cyert and March 1963), but the resulting shifts also fundamentally transformed decision-making processes within the firm—not only with regard to the management of fund portfolios, but also the hiring and firing of money managers and securities analysts. To wit, the identity of Putnam was also altered as the firm developed a kind of hybrid identity where practices for older-established funds remained the same and were informed by the trustee logic, while newer, especially growth-oriented, funds were managed by practices associated with the market logic. Reinforcing the arguments of Pache and Santos (2010), hybrid organizations need not hybridize all practices, but can also have practices linked to different logics that coexist relatively independently.

Of course, such processes could have played out differently. If securities analysts did not mobilize to introduce novel practices, the variety catalyzed by the creation of a new growth fund would most likely not have been recognized as problematic. Also, if top management decided that the incorporation of novel money management practices was a bad idea, and they successfully resisted the efforts of security analysts, the extant organizational identity would have been reproduced, and it is possible that disgruntled securities analysts may have left the firm to start a new mutual fund organization focusing on the use of novel money-management practices. In fact, this was the main motor behind the creation of a number of new mutual fund companies offering growth funds in the 1960s (see Lounsbury and Crumley 2007). Marquis and Lounsbury (2007) also argued that this basic process of key personnel leaving a firm to start new competing organizations undergirded the creation of new community banks when small local banks were acquired by major commercial banks with a national orientation.

It is important to emphasize that the intraorganizational dynamics illustrated by the Putnam case played out across all mutual fund firms, and thus it is these distributed but somewhat coordinated shifts across all firms that provided a key engine for how the relationship between the trustee and market logics played out. That is, one cannot understand what happened within a particular firm without relating those dynamics to wider processes at the level of the institutional field. In addition, it is important to study

feedback effects from the changes occurring across disparate organizations to the institutional field as a whole. In the case of mutual funds, variegated identities took shape between the poles of trustee-like and market-like, and a complete analysis of the intraorganizational dynamics of identity and practice would situate the collective action, sensemaking, and decision making of one organization relative to others in the institutional field. This raises the methodological challenge mentioned earlier of how to do a "field-level ethnography" (Lounsbury and Kaghan 2001).

While the Putnam case highlights how a particular organization responded to a shift in logics at the industry level, it is also possible that logic shifts or the introduction of new logics could be spurred by endogenous dynamics within a single organization or across multiple ones. This may result from the creation of new, or the alteration of existing, occupations in organizations (Abbott 1988), shifts in the dynamics of bureaucracy (Barker 1993; Adler and Borys 1996; Ocasio 1994, 1997), or other changes in the internal processes of organizing (Greenwood and Hinings 1996). It is also important to develop more research on how such shifts in logics, organizational identities, and practices are ongoing, especially in pluralistic environments (Kraatz and Block 2008). For instance, Jarzabkowski, Matthiesen, and van de Ven (2009) show how institutional pluralism plays out in a range of different intraorganizational practices through which market and regulatory logics are constructed in relation to each other during a period of change in the regulatory environment.

Greenwood et al. (2010) coined the notion of "institutional complexity" to refer to organizational environments where actors are influenced by varied signals and pressures stemming from multiple institutional logics. They argued that scholarly attention should also be directed to how organizations react to such complexity. Through an empirical analysis of organizational downsizing in Spain in the 1990s, they examine how multiple kinds of logics—regional state, family, market, religious—differentially shape organizational downsizing decisions in different geographic communities and with different characteristics. Greenwood et al. (2011) build upon this work to develop an analytical framework emphasizing the need to understand how the structural dimensions of fields (fragmentation, formal structuring/rationalization, and centralization) and organizational attributes (field position, structure, ownership/governance, and identity) affect how individual organizations respond to institutional complexity. While their framework is complementary to what we have laid out here, our emphasis has been to direct researchers towards the study of social interactional processes and mechanisms that link institutional logics to the alteration or maintenance of organizational practices and identities.

By showing how the institutional logics perspective may be employed to study the dynamics of organizational identities and practices, our intent is to

highlight and explicitly encourage dialogue and bridging between otherwise disparate scholarly communities. In addition to the need to cross-fertilize research on institutional logics and identity, we also seek more penetrating approaches to the study of practice. For instance, while most institutional studies of diffusion analyzed practices as isolated objects to be adopted, a more practice-centered approach might conceptualize practices within an organization as interdependent (Pache and Santos 2011). That is, adoption or enactment of a new practice, or modification of an existing practice, often has ramifications for other practices in an organization; we have little understanding of how changes in institutional logics cascade across different kinds of practices in an organization.

To wit, we would like to see developments that bridge the study of institutional logics to the wider community of practice-based scholarship (e.g., Dougherty 1992; Feldman 2003; Jarzabkowski 2004, 2005; Orlikowski 2000; Schatzki, Knorr-Cetina, and von Savigny 2001) as well as to such perspectives as actor network theory (ANT; e.g., Callon 1986; Latour 2005; Law and Hassard 1999) and the social study of finance (e.g., Knorr-Cetina and Preda 2004; MacKenzie 2006). Such bridging provides interesting theoretical opportunities to address the blind spots of each perspective. While the institutional logics perspective is especially strong in highlighting the importance of wider societal belief systems, more practice-based perspectives, including ANT, tend to eschew attention to such broader symbolic structures in favor of more localized approaches to meaning making. Of course, the most provocative studies do both, and we believe the institutional logics perspective lends itself particularly well to this enterprise. In our minds, some of the most exciting research directions will involve combining perspectives in ways that might finally break down unhelpful antinomies between categories such as "macro" and "micro" by developing interesting new approaches that foreground the interrelations or interpenetrations of the local and global, as well as the symbolic and material (Nicolini 2009).

The Dynamics of Practices and Identities Across Organizations

Decision making, sensemaking, and collective mobilization are also key mechanisms of social interaction that link institutional logics to the dynamics of practices and identities across organizations. In most cases, an adequate explanation of changes in logics and practices will involve a combination of these mechanisms. While institutional logics and related practices and organizational identities might be fairly stable in relatively mature institutional fields, changes can still occur. Such changes can occur as a result of exogenous shocks or evolutionary dynamics as we develop further in chapter 7.

For instance, Scott et al. (2000) tracked a shifting ecology of professional identities and organizational practices in the Bay area health care field as the longstanding dominance of a professional logic waned with the rise of new regulatory interventions in the 1960s, enabling the rise of a more pluralistic set of logics involving the state, the corporation, and the market. Reay and Hinings' (2005) case on the Alberta health care services field highlighted how the rise of a competing logic, "business-like health care," joined the prevailing logic of "medical professionalism," leading to the creation of countervailing tensions as well as new identities and practices that contested the sole authority of physicians. See also Reay and Hinings (2009), as well as Hwang and Powell (2009) on how professional managers promulgate rationalization. Berman (2011) catalogued how a market logic was slowly ushered into the field of U.S. research universities over several decades as key shifts in public policy enabled technology transfer, faculty entrepreneurship, the creation of spin-off firms, and the establishment of research partnerships with industry to become prevalent. She persuasively argues that these developments entailed a cultural shift in how university personnel, policymakers, and other university stakeholders conceived of science—from "science-as-resource" to "science-as-engine."

The rise of new logics, or the existence of multiple logics, can create ambiguity and the concomitant need for sensemaking about the implications of logic changes. Subsequently, action is taken to somehow cope with or resolve tensions or ambiguities linked to plural institutional logics (e.g., Dunn and Jones 2010; Fiss and Zajac 2004; Glynn and Lounsbury 2005; Lok 2010; Rojas 2010; Townley 2002; Tracey, Phillips, and Jarvis 2011). To the extent that a new logic is ascendant or first being introduced in a field, it may entail collective mobilization by the challengers promulgating a new logic, as well as a political battle between those challengers and incumbents that seek to defend the status quo (Fligstein 1996; Schneiberg and Lounsbury 2008). Ultimately, actors in a field will have to make decisions about whether to stick with the old logic, embrace the new one, or figure out some way to hybridize (Battilana and Dorado 2010; R. E. Meyer and Hammerschmid 2006; Rao, Monin, and Durand 2003). Thus, research at the level of the institutional field is importantly complemented by research on intraorganizational dynamics.

Our main contention is that much less attention has been paid to endogenously driven changes in logics, and so we focus on mapping out how to study such processes. Similar to the intraorganizational process model discussed previously, Figure 6.2 provides a process model that details how variations in practice and collective identities can trigger efforts to alter institutional logics at the level of an institutional field. To the extent that institutional logics and core practices and collective identities in an institutional field are

stable, ambiguity will be low and there will be little opportunity to significantly change the structure of an institutional field. However, even absent conscious mobilization by challengers, ambiguity can emerge as a result of variations in practice and identities catalyzed by the emergence of new collective identities (Wry, Lounsbury, and Glynn 2011) or differences across organizations in the implementation of practices (Ansari, Fiss, and Zajac 2010; Lounsbury 2001) or in how they are performed (Orlikowski 2000; Feldman 2003). Some of this variation can be introduced as actors draw upon new institutional logics, but this need not be the case.

As in the case of single organizations, actors in institutional fields must also make sense of the array of collective identities and practices and assess whether there is anomalous variety that needs to be addressed. If it is judged to be problematic, then broader field-level politics and decision-making opportunities often ensue, typically via industry command posts such as trade associations and regulatory agencies. For instance, as growth stock funds proliferated in the U.S. mutual fund industry in the 1950s and '60s, they became problematic for long-time incumbent firms that offered conservatively managed stock funds guided by the trustee logic; field-wide political struggles ensued, ultimately resulting in a redefinition of product categories and the nature of the industry in order to accommodate older, conservative funds as well as more aggressive new upstart funds guided by a professional-

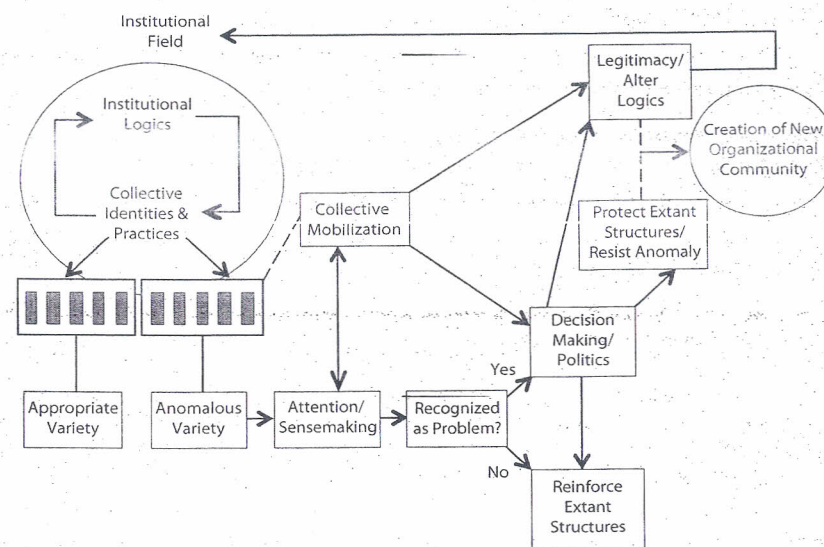


Figure 6.2. Endogenous Dynamics of Practices and Identities Across Organizations Adapted from Lounsbury and Crumley (2007)

market logic (see Lounsbury and Rao 2004). As this example illustrates, anomalous practices recognized as a problem provide an opportunity for groups to collectively mobilize to challenge incumbents; in fact, collective mobilization can occur logically prior to the identification of problematic variation because groups can mobilize to generate practice variation in the first place.

An interesting study by Durand and Szostak-Tapon (2010) on French industrial design agencies shows that the most prestigious organizations in a field can act as pioneers in creating or maintaining heterodox logics, identities, and practices. They argue that heterodoxy is more likely to exist in unsettled fields and that prestigious organizations adopt institutional heterodoxy to maintain their distinctiveness and allure. While much of the literature on institutional logics emphasizes their constraining nature, their study points to the need to understand better the conditions under which different kinds of organizations might be able to move between logics or engage in bricolage that draws upon logics as a kind of cultural toolkit (Binder 2007; Swidler 1986). By attending to the conditions under which organizations will experience and engage differently with logics, we will gain further insights into the sources of practice variation and the dynamics of logics and practices. DiMaggio (1991) also focalized negotiations at the field level in his study of how the creation of competing art museum models—Gilman and Data—provided the basis of a power struggle to redefine the field of art museums. These broader cultural models were connected to community (Gilman model) versus professional (Data model) logics, and pitted upper-class elites and their social circle of collectors and curators against a new class of museum professionals and their professionalization project tied to the expansion of higher education in the fine arts.

To wit, shifts in logics often entail the rise of new or changes to extant collective identities and practices that rely on the mobilization of symbolic and material resources to gain legitimacy (Wry, Lounsbury, and Glynn 2011). The opportunity for future research is to analyze the various dimensions and pathways by which institutional logics, collective identities, and practices emerge and shift over time. To do so, we must conceptualize and study collective identities and practices as constructs that are fundamentally inter-related to, yet somewhat independent of institutional logics—that is, loosely coupled (Hallett and Ventresca; Weick 1976). This opens up questions about how different groups of actors, while seemingly similar from a distance, may have more subtle differences upon closer inspection as a result of how different kinds of groups manage and adhere to different logics or mixes of logics via the practices they establish. Such differences may arise from qualitative cultural distinctions or as a result of more hierarchical status differences. In addition, a focus on collective identity and practice dynamics in institutional

fields opens up a new frontier of research on the sources of new logics as well as how logic pluralism may wax and wane.

As suggested, negotiations over appropriate practices can often involve political battles among competing collective identities with multiple possible outcomes: 1. The status quo can be reinforced; 2. Institutional logics can be reconfigured or altered to incorporate anomalies in practices and collective identities; or 3. Groups mobilizing around anomalous practices can splinter off to create new institutional fields based on novel collective identities. Such outcomes are often informed by complex multiparty decision-making processes, as well as organization-level decision making as to which coalitions to align with and support.

The extent to which the status quo is reinforced or a new institutional field is spawned will likely have a great deal to do with the degree to which incumbents can mobilize around institutional logics to resist the efforts of challengers. For instance, Townley (1997) highlighted how the availability of a professional logic allowed academics to resist, with varied success, the imposition of performance-appraisal practices linked to a bureaucratic logic. By focusing on the role of logics in inhibiting isomorphism, Townley advances an approach to agency that foregrounds the role of broader cultural structures in the form of institutional logics as both a resource and a condition for resistance. Marquis and Lounsbury (2007) extend this approach to resistance by showing how community logics enable banking professionals to resist the imposition of corporate logics by exiting banks targeted for acquisition by large, national conglomerates to create smaller, community-oriented banks. While institutional theory has been criticized repeatedly for its inability to explicitly address power (e.g., DiMaggio 1991; Hirsch and Lounsbury 1997), the institutional logics perspective provides an opportunity to address this lacuna by focusing on how actors are able to resist institutional control and domination (T. B. Lawrence 2008). As the institutional logics perspective emphasizes, this is not merely a matter of strategic choice (Oliver 1991), but an understanding of how multiple logics constrain and enable actors' ability to resist and shape ongoing political struggle in fields (Rojas 2010). Much more research is needed on the conditions under which actors are able to resist the imposition of new logics and practices, as well as how counter-mobilization occurs.

We also need to think harder about how we might better approach the study of institutional logics and the dynamics of identity and practice. Certainly, the use of qualitative methods is important given that at the core of understanding institutional logics is gaining insight about meaning making. But we must also think about employing quantitative methods more creatively. The past two decades have witnessed the emergence of a "new structuralism" that has spawned new approaches to the measurement

of meaning, drawing upon such methods as multidimensional scaling, cluster analysis, network analysis, and correspondence analysis (Lounsbury and Ventresca 2003; Mohr 1998). Inspired by the work of social theorists such as Bourdieu, new structural analysis has been employed in studies of organizations, stratification, culture, and politics, enabling a variety of new insights (e.g., Breiger 1995; Mohr 2000).

These new approaches have already begun to yield fruit in our understanding of institutional logics. For example, in their astute analysis of how shareholder value was framed, R. E. Meyer and Höllerer (2010) employed a variety of techniques, including content analysis, multivariate statistics, and correspondence analysis, to show how different framings aligned with different actors and positions in a field. Focusing on how organizational forms are distributed across an institutional logics space, Mohr and Guerra-Pearson (2010) show how different niches and logics were related to scientific charities and settlement houses that embodied different collective identities and practices related to delivering social relief to the poor. In related work, Mohr and Neely (2009) use network methods—specifically structural-equivalence techniques (see Lorraine and White 1971; Mohr 1994; White, Boorman, and Breiger 1976)—to create models of discourse structures that showed how congeries of practices could link to power relations and institutional logics to partition the organizational field of asylums, prisons, orphanages, and other carceral organizations in New York City before the turn of the 20th century. Consistent with our approach to the study of institutional logics, Mohr and White (2008: 485) further elaborate on the general use of network techniques to map the multidimensional and nested nature of practices, identities, and institutional logics; for them, institutions are “linkage mechanisms that bridge across three kinds of social divides—they link micro systems of social interaction to meso (and macro) levels of organization, they connect the symbolic with the material, and the agentic with the structural.”

Ultimately, we believe that the most insightful research will employ multiple methods. Even if one's research interest is on individuals or interactions within particular organizations, an institutional logics perspective, by necessity, directs the gaze of the researcher to broader societal influences as well as cognate organizations in an institutional field. We believe that adequate studies of intraorganizational dynamics will also appreciate the wider influences of various institutional logics, pressures, and cues stemming from other organizations in an institutional field, and an assortment of other actors such as regulators, trade associations, media, critics, and so on. Thus, an admixture of qualitative and quantitative methods is appropriate and useful to systematically understand the nestedness of levels and the interrelations of institutional logics with organizational identities and practices.

Conclusion

In this chapter, we built upon our model of microfoundations from chapter 4 by developing models to guide research on how different kinds of social interaction (e.g., decision making, sensemaking, collective mobilization) mediate between institutional logics and the dynamics of identities and practices within and across organizations. In doing so, our aim was to build bridges between the institutional logic perspective and the literatures on identity (e.g., Albert and Whetten 1985; Ashforth and Mael 1989; see Glynn 2008 for a review) and practice (Feldman 2003; Jarzabkowski 2004, 2005; Orlikowski 2000; Schatzki, Knorr-Cetina, and von Savigny 2001). While there is a fair amount of research that explores the effects of institutional logics across institutional fields, there has been little effort to date to explore the role of institutional logics within organizations (see also Greenwood et al. 2011; Pache and Santos 2011). Our approach highlights the need to conceptualize and study endogenous drivers of change that lead extant organizational practices or identities to be problematized. We believe that to adequately explain how organizational practices and identities change, researchers must identify multiple mechanisms and their interrelationships because we know very little about how different forms of social interaction combine over space and time to produce outcomes of interest.

In addition, while we focused on three categories of mechanisms, these are not necessarily exhaustive and future research should identify other kinds. Furthermore, decision making, sensemaking, and collective mobilization are really best understood as general categories of mechanisms. Each category consists of a variety of mechanisms. For instance, while sensemaking focuses on understanding and resolving ambiguity, how that is actually done might vary dramatically across organizational settings and will rely on distinct uses of language, rhetoric, and other symbolic resources. Thus, as research on institutional logics progresses, there is an opportunity to intensify our microscopes to identify finer-grained mechanisms and processes that lead to changes in organizational and collective identities, practices within and across organizations, and institutional logics themselves. Thus, the models proffered in this chapter are preliminary and offered in the spirit of seeding work in this direction.