

# The State, Power, and Agency: Missing in Action in Institutional Theory?

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## Abstract

Issue is taken with the relative absence of the analysis of power from many leading institutional theory accounts of organizations. The category of institutional entrepreneurs is seen as a functionalist theory-saving device. The stress on norms, myths, and legitimacy is questioned. The importance of a consideration of explicitly political organization is illustrated with an account of the deinstitutionalization of the Bjelke-Peterson government in Queensland. As well as institutionalization the importance of deinstitutionalization is suggested as is the centrality of translation. Recent work that has brought power and agency back into focus is discussed. The centrality of power as the main concept of the social sciences is promoted. The central importance of the state for early institutional accounts, its relative absence from more current ones, and its role in the creation of an “audit society” that would seem most likely to expand significantly in the wake of the global financial crisis is noted.

## Keywords

power, institutional theory, myth, legitimacy, institutional entrepreneur, norms, translation

## Preamble

In mid-2008, a small workshop was held at the University of New South Wales in Sydney, Australia, on institutional theory. Roy Suddaby was to speak at the workshop, and I was asked to rejoiner. I was given a prepublication draft of the introductory essay to the *Sage Handbook of Organizational Institutionalism* (Greenwood, Oliver, Suddaby, & Sahlin-Andersson, 2008) as a primer for his likely remarks. In advance of the occasion, I wrote some remarks down in the form of a small discourse that I improvised around before having to dash off somewhere. As it transpired, Roy’s remarks were only tangentially related to the *Handbook* essay and much of that essay was opaque to someone who could not have read the as-yet-unpublished chapters that it discussed. Still, we had an enjoyable exchange of views and agreed about many things. What follows is the kernel of what I wrote at the time buttressed by some subsequent wider reading—reading that to this point has not included the *Handbook*—only for reasons of time, I hasten to add.

## Introduction

The histories of organization studies position few works as citation classics but DiMaggio and Powell’s (1983) “The Iron Cage Revisited: Institutional Isomorphism and Collective Rationality in Organizational Fields” is undoubtedly one

such article. Drawing on the new institutional theory pioneered by Meyer and Rowan in 1977, and influenced by Bourdieu’s (1977) ideas about practice, the article considered how rational myths lodged in institutional settings, which shape organizational action to the extent that they can secure semblances of organizational legitimacy to capture resources and mobilize support.

There were two main signposts to subsequent research in the article: the importance of the concept of organizational fields, and the focus on mechanisms of organizational change through institutional isomorphism. The organizational field was defined in relational terms as “those organizations that, in the aggregate, constitute a recognized area of institutional life: key suppliers, resource and product customers, regulatory agencies, and other organizations that produce similar services or products” (DiMaggio & Powell, 1983, p. 148). Later, they add that the field includes all those who have “voice” as well as those who do not—picking up on Bachrach and Baratz’s (1962, 1970) influential critique of Robert Dahl’s (1961) work by stressing nonaction, or absence from a field, as a significant form of presence. On the whole, as

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I shall argue, this element of power has been largely absent from engagement with DiMaggio and Powell's work.

Institutional isomorphism has become, perhaps, the key concept for much mainstream organization studies work of the past decade. Three ideal types of mechanism of organizational change by institutional isomorphism have been sketched: coercive (when external agencies impose changes on organizations—most obviously through practices of state regulation), normative (when professionalization projects shape entire occupational fields), and mimetic mechanisms (essentially the copying of what is constituted as culturally valuable ways of doing or arranging things—cultural capital). Interest in the latter has far outweighed the former two in U.S. empirical studies as Greenwood and Meyer (2008) note, whereas European researchers have been more oriented to the role of the state and other regulatory agencies, such as standards-setting bodies (see Higgins & Hallström, 2007).

Ideal types tend to reification, and institutional isomorphism mechanisms are no exception. It is this reification that makes many institutional analyses so mechanical; as a theory designed to explain how things got to be the way they are it does not really handle discontinuous change very well. Indeed, the most significant subsequent innovation has been the development of the idea of the institutional entrepreneur, designed to save the theory from its implicit functionalism.

## Institutional Entrepreneurs

In a famous turn of phrase, Zucker concluded that institutionalization means that “alternatives may be literally unthinkable” (1983, p. 5). Tolbert and Zucker (1983, p. 25) suggested three indicators of institutionalized practices: They are widely followed, without debate, and exhibit permanence. The notion that alternatives may be literally unthinkable is not a new one; it was, for instance, the basis of Steven Lukes' even more famous and, as it transpired, deeply problematic mix of normativism and analysis that coined the radical face of power as three dimensional. Insofar as power relationships have been addressed, for instance, by Greenwood and Hinings (1996), they have been addressed in terms that were largely those of Lukes (1974).

Perhaps, the absence of an adequate account of power in institutional theory is most evident in the massiveness and solidity that is attributed to institutional ordering—but not as an effect of power. It is at this point that institutionalism displays its origins in sociological functionalism most clearly. The preeminent opponent of this functionalism has always been Garfinkel (1967), for whom order is always fragile and open to disruption through agents who either do not know the rules or deliberately seek to reveal them by flouting what they take to be the normative order. Hence, for Garfinkel, and ethnomethodology in general, a great deal of ordinary repair work of social breaches has to occur for a sense of

normalcy to be sustained. In other words, order depends on everyday actors engaged in normal contexts of interaction. Order is fragile, and much work is needed to maintain its ceremonial facade—a notion that, of course, comes straight from Goffman (1959). For institutionalists, I think, this suggests that processes of habituation are under way. For power theorists with an institutionalist flavor, it suggests that order is often a fragile construct, likely to be contested, and rarely fully institutionalized, except in contexts of total institutions—another strangely neglected area of more recent institutional scholarship (see Clegg, Courpasson, & Phillips, 2006).

The institutional entrepreneur is the category that institutionalism's functionalism requires in order to make change from isomorphized regimes possible. If so much energy goes into being similar to culturally valued organizations through mimesis, how is it possible that organizations can change? This is the question the institutional entrepreneur is designed to answer. Yet it is an answer that focuses overly on a few champions of change and neglects the wider social fabric in which they are embedded. Nelson Mandela may have been an institutional entrepreneur in South Africa, but without the long struggle, armed resistance, and civil disobedience campaigns of the ANC, he could not have achieved much. Of course, he is a remarkable political actor, but he is precisely that—a political actor tangled up in a complex web of power and political relationships, including a deeply divided ANC.

Institutional theory, as largely functionalist, had to invent the overused category of institutional entrepreneur to “save” the theory and include an account—among all the stasis, conformity, and legitimacy—that things and times change. Introducing the character of the institutional entrepreneur as a type of “hypermuscular agency” is an effect of a theory that institutes and institutionalizes macro/micro divisions and then faces the embarrassment of bridging between that which it has sundered. The problems of institutional theory have parallels in one specific instantiation: structuration theory. The reason that structuration theory—perhaps the most famous attempt to build the macro/micro bridge—never translated into an interesting empirical research agenda is that it constitutes only half the picture, as Mark Haugaard has argued (Clegg & Haugaard, 2009). If all action entails structuration, it is banal to describe social interactions in terms of acts of structuration. What makes analysis interesting is the fact that structuration is contingent and frequently met by destructuration, or in institutional terms, deinstitutionalization. If we look to the “petty confrontations” that Foucault describes as part of epistemic change, these battles were between ways of ordering social life that were destructuring each other. The “victory” of one order of things over the other occurs when it becomes the norm for authorities to structure institutions and actions relative to that order—the point of the contrasts that introduce *Discipline and Punish*

(Foucault, 1977). In contemporary everyday interaction, social activists are always confronted with the dilemma of structuring, thus legitimating, the existing order of things, or of destructuring, thus, hopefully, trying to change the order of things.

Not all institutional theorists embrace the institutional entrepreneur. Lounsbury and Crumley's (2007) institutional perspective on innovation in the mutual funds industry argues against the category of the institutional entrepreneur, fusing elements of practice theory with an institutional perspective, the former for the intraorganizational view, and the latter for analysis of the organizational field. Practice is seen as that which provides order and meaning to a set of otherwise banal activities, a local institution. The focus is on how innovation in activities (a lower-order concept than practices) can lead to the establishment of practices that become locally institutionalized. The answer is provided by the practice framework shifting attention to knowledgeable and skilled actors engaged in creative performativity, mobilization, and theorization of emergent practice that constantly innovates in small but potentially significant ways, as well as being shaped by strategic direction and the existing institutional matrix of rules, beliefs, and actions. Local anomalies that make extant activities problematic, may, as in Kuhn's (1962) account of scientific revolutions, where social recognition of a novel innovation allied with political processes capable of outflanking resistance from institutionally already embedded actors, create radical change when a new practice achieves theorization and legitimacy.

## Legitimacy

Institutional theories' key category is legitimacy. From nearly all perspectives in recent power debates, it has emerged that legitimacy itself is a problematic category, in which domination may well be present, as Weber, writing about the Bismarkian state, was well aware. If we look to Lukes' (1974) third dimension of power, Foucault's (1977) power/knowledge hypothesis, the various traditions of power analysis that build upon the Gramscian (1971) concept of hegemony and Bourdieu's (1990) concept of symbolic violence, and so on, what lies at the center of all these perspectives is the image of social actors acquiescing in their own domination. One way of theorizing this is to argue that these individuals perceive certain exercises of power, and structured relationships of authority, as legitimate but (for various reasons) the observing sociologist or political theorist or scientist believes that the actors in question should not view them in this manner. In Lukes, actors consider power legitimate because they do not know what their real interests are. In Foucault they consider their objectification as subjects as legitimate because it is derived from some locally perceived concept of truth. In Gramsci, the subaltern classes

accept bourgeois domination because they have internalized the latter's interpretative horizon, and, in Bourdieu, symbolic violence makes people "misrecognize" reality. In all these versions of power and domination actors view social relationships as legitimate due to some kind of cognitive shortcoming; the granddaddy of these accounts, of course, is Marx and Engels. If it were not for the cognitive shortcoming, the very same social relationships would appear straightforwardly as domination. If this is the case, then it is unhelpful to separate power from authority because the very separation is actually central to the efficacy of this form of domination, changing the conception of legitimacy in important ways.

Let us recall what an organizational institutional theory is generally acceded to be: the idea that captured the imagination was that organizations are influenced by their *institutional context*, that is, by widespread social understandings (*rationalized myths*) that define what it means to be rational. Meyer and Rowan (1983, p. 84) referred to the institutional context as "the rules, norms, and ideologies of the wider society." Zucker (1983, p. 105) looked to "common understandings of what is appropriate and, fundamentally, meaningful behaviour." The underlying focus of these institutional theorists, in short, was the role of shared meanings, institutional processes (such as cultural prescriptions; Zucker, 1977) and institutional conformity.

What is wrong with these views? Well, the obvious: They downplay struggle and conflict; moreover, given that the genealogy of institutional theory has a rhizomatous relation with Weber (1978) and Selznick (1949), the neglect of the state in contemporary accounts is a strange absence. Are states secured organizationally because they are bound by the rules, norms, and ideologies of the wider society, and by common understandings of what is appropriate and, fundamentally, meaningful behavior, by normative and cognitive belief systems? Well, the answer is that some states are to a great extent and some states are less so. The most stable states appear to be those liberal democracies, which diffuse tensions throughout society; rationalized myths are important in this—think of the role that was played by "market forces" under Thatcherism. But the rationalized myth did not create anything like common understandings: quite the opposite, the miners' strike, the poll tax riots, and so on. The rationalized myth was a mobilization by political and media elites. Institutional conformity was *not* the result. It was not the result because the political actors at that time did not accept the categories of the myth. It was only after Blair gained control of the Labor Party that the myth became institutionalized because only then were the categories of market forces established and stabilized in the party. The important thing is that it was *not* the myth that did the stabilizing; on the contrary, it was a political decision. It was political agency making choices about the categories of reasoning. In

the American colonies where the categories of political discourse were shared between political elites and the masses, in opposition to British rule, civil society flourished, as Toqueville identified. Elsewhere, where they did not cohere, as in France, for instance, organizations were branded illegitimate and forced underground.

Closer to my Australian homeland it is worth recalling the Bjelke-Peterson era in Queensland as a particular case of deinstitutionalization. Joh Bjelke-Peterson was the longest-serving premier of the state of Queensland, holding office from 1968 to 1987. He belonged to the “Country Party,” a rural political party that governed through a gerrymander. (With a touch of Orwellian 1984 humor the Country Party later changed its name to the National Party, despite predominantly rural and regional roots). The gerrymander had been instituted by the rival Australian Labor Party (ALP) in 1949, when there was still a large rural agrarian workforce whose votes were regularly ALP. However, with the increasing mechanization of rural labor, the number of ALP voters dwindled, and the system increasingly favored the rural landowning and petty bourgeoisie sufficiently to return them a majority of seats but with a minority of votes, which helped the Country Party to dominate coalitions. Under the gerrymander a rural vote was worth about 3 times an urban vote, justified by the low density of rural settlement compared to the dense southeast corner of the state (a state bigger than Texas) centered on metropolitan Brisbane.

The old rural landowning elite shared few categories and institutionalized myths with the young urban and educated elites in Brisbane. For this constituency, issues related to apartheid-based South African touring sports team, indigenous rights, and civil rights more generally, were significant issues that, being blocked in parliament, the young urban elites tried to raise in the streets through demonstrations and protest marches. In 1977, Bjelke-Petersen announced that “the day of street marches is over.” “Don’t bother applying for a march permit. You won’t get one. That’s government policy now!” Because the regime preferred to play to its gerrymandered constituency through the politics of coercive power rather than compromise and negotiation, conflict became ever more violent as a result of the state’s divide and rule tactics. Two institutionalized myths collided: a discourse of “rights” from the authoritatively disempowered, and a discourse of “law and order” from the authoritatively dominant. The institutional field was highly contested on the streets: I was there and was a participant. Large-scale aggressive policing of what were declared illegal demonstrations and protest marches occurred. The institutionalized myths of “law and order” served as categories that in no way achieved anything like common understanding, and again, quite the opposite.

Although the Bjelke-Petersen regime was institutionalized, its fabric proved to be far less objectified and habituated than was presumed. Its deinstitutionalization was rapid when

it came. The state’s economic development increasingly was largely based on planning issues that the party controlled in the interests of crony capitalism sponsoring administratively favored projects in real estate. In the absence of the premier overseas in 1987, and in the presence of an Australian Broadcasting Commission, *Four Corners* television report on “The Moonlight State,” which detailed the entrenched corruption and rottenness of the Joh era, including allegations of rampant police corruption (eventually proven to have led all the way to the police commissioner whom Joh had installed), the government became subject to institutionalized contestation through a Royal Commission. Evidence of corruption was unearthed implicating not only the police commissioner but also senior members and associates of the Bjelke-Petersen government, including Bjelke-Petersen himself, who was charged with perjury, although he was not found guilty of the charges that were laid. His innocence was due to the foreman of the jury, Luke Shaw, holding out against a “guilty” verdict. A total of 10 other members of the jury found him guilty. It later turned out that the foreman was a Young National Party member (Wear, 2002). The police chief, a Bjelke-Petersen appointee, served several years in prison and was stripped of his knighthood for “services to policing.”

A general theoretical point is in order. Institutionalized myths by themselves are insufficient to create institutionalization, the social processes by which obligations or actualities come to take on a rule-like status in social thought and action. On the contrary, they will only be likely to achieve this outcome where there exists regulated conflict leading to a fair degree of cooperation creating a ceremonially observed social ordering. Where the sources of such conflict are excluded then tensions rise, which in turn diminish ordering and impede institutionalization. If organizations become *isomorphic* with their institutional context to secure social approval (*legitimacy*), which provides survival benefits then this requires that the institutional context is already secured and is seen as such a sign of legitimacy. Perhaps, scholars disinclined to comparative or historical analysis might imagine that these are somehow universal standing conditions, but we should be well aware that they are not. That is the point of the previous excursus.

Elsewhere, if we look to symbolic interactionism and the acute observations of Goffman (1961), it is obvious that structural reproduction is not always a foregone conclusion in every interaction. If we look to Foucault (1977), we also see that systems of meaning are frequently contested. For any social order to be established as “the way we do things around here”—as obligatory passage points that become institutionalized—a great deal of strategic agency has to be carried out, which means that social structures and practices are always up for grabs. In a sense, *destruction* or the breaking-down of structures is every bit as important to our understanding as routine structuration or institutional



practices are. In contested social systems, which all systems to a greater or lesser extent are, the powerful try to maintain their power by ensuring predictability, whereas the less powerful have an interest in counterhegemonic, deinstitutional practices. These introduce changes that sometimes may be radical and are not at all exogenous; all theories of order must also be theories of change, as argued in *Frameworks of Power* (Clegg, 1989), and the most important sources of change—because functionalism neglected them—are endogenous.

### Against Myth Without Power

Organizationally, we should not start by looking for rationalized myths; on the contrary, we should research those situations where such myths have failed to take general hold and where the myths that do take hold do so in a way that almost defies legitimacy—elsewhere I have discussed the cases of the Holocaust, Magdalene Laundries, Stolen Generation, GDR, and Abu Ghraib as examples of the latter (Clegg, Courpasson, & Phillips, 2006). For the former, any good sociologies of the state, such as John Hall's (2008), will do.

Let's return to states once more, and this time the United States. Following Derrida (1976), one would not want to deny that there are moments of indecisiveness, when institutionalization does not shape what occurs, which are decided by strategic action according to the principles of oppositional logic. George W. Bush's intervention immediately post-9/11 was exactly such a moment. For instance, the attack on the Twin Towers could have been described in many ways. If Al Gore had been elected, with his legal background, one could hypothesize that it might have been described as "an international criminal act," which would have justified pursuing the perpetrators through the International Criminal Court. As events happened we got a "war on terror" waged by "terrorists bent on destroying our freedoms." However, the point is that this description was a particularly impoverished one that only made sense to a particularly unsubtle, binary, black and white way of thinking. The hypothetical Gore interpretation is slightly better in its consequences, but it still falls foul of the binary logic of "law-abiding citizens" versus "criminals." From a sociological perspective, the most accurate and interesting would be to try to resist putting any labels on the perpetrators until we understood their motivation relative to their construction of reality and structured context. (Needless to say, as Weber observed, understanding is not equivalent to identifying with or legitimating.) Such a deliberate avoidance of binary logic would have meant that the proper response of the U.S. government would have been to send anthropologists and sociologists to the Middle East, rather than soldiers! Or at least seek the advice of such specialists at home. Of course, that would have been hard to sell,

but it would have been the more intellectually sophisticated response.

At base, structuration and deinstitutionalization, all concern categories of reasoning. Categories are the means through which we routinely, albeit largely unconsciously, observe and classify events and experiences as we understand them to be in the languages that we ordinarily use. They are ontologically prior to both discourse and rhetoric, one more fundamental or philosophically primitive, as it were. Lakoff (1987, p. 5-6) suggests that

There is nothing more basic than categorization to our thought, perception, action, and speech. Every time we see something as a kind of thing, for example, a tree, we are categorising. Whenever we reason about kinds of things—chairs, nations, illnesses, emotions, any kind of thing at all—we are employing categories.

And these categories are necessarily experiential and empirical; they are grounded in our ways of being in the world. Perhaps the most astute observer of this necessity was Harvey Sacks. Within ethnomethodology and conversation analysis, Sacks (1972, 1992) suggests that membership categorization devices, which systematically follow rules of economy and consistency, signal how everyday activities are accomplished locally and recognizably. The terms are the members, not analysts, and they signify how members make sense of the world. It is in investigating how these categories are deployed that we can gain a grounded appreciation of the way that these members construct the world (Silverman, 1998). What I miss in institutional theory is much concern for the categories of other than the members of the institutional theory domain: It is strangely self-referential and inattentive to the everyday reasoning of everyday people. Again, functionalist auspices are evident.

The binaries that you use depend on the categories that you attend to. It is clear from analysis of the evidence collected by the commission that enquired into 9/11 that the president, George W. Bush, and Condoleezza Rice, the national security adviser, had received at least 40 briefings from the CIA alerting them to Osama bin Laden specifically, as well as the threat of a terrorist attack in the months of 2001 preceding the attack (Shenon, 2008). However, these were not the categories that policy concerns before 9/11 dictated. They were not institutionalized. Instead, as a speech that Condoleezza Rice was due to give on 9/11 indicates, which was cancelled because of the attacks, the focus was on big US\$ defense not the security of the state. The speech, which was intended to outline her broad focus on the Bush Administration's plans for a missile defense system included only passing reference to terrorism and the threat of radical Islam (Shenon, 2008). One may be justified in assuming that for

the top management team of the United States at that time, the categories with which they dealt were those that were widely promoted by the military–industrial complex rather than the daily briefings received from George Tenet, head of the CIA. Indeed, the effect of this disavowal of the CIA-inspired advice, which one would assume did benefit from anthropological, sociological, and political science input, given the organization’s resources, was to leave the administration in an essentially untutored position immediately after 9/11. Indeed, Bush’s first statements after 9/11 called for a “crusade” against the enemies of America who had launched the attack. One would not think that culturally sensitive social scientists would have advised such a binary positioning. There is a connection here with C. Wright Mills’ (1940) argument. Motives are not intentional states of being but, as Blum and McHugh’s (1971) revision of Mills suggests, available categories with which to assemble sense and attribute motive.

## Translation

Another aspect that I want to take issue with is the rather restricted concept of translation used by Suddaby; certainly it comes from Czarniawska and Sevón’s (1996) excellent work—for me the Scandinavian institutionalists are, indeed, the most interesting part of the extended family—which, in turn, refers to actor network theory (ANT). ANT is a welcome expansion of the concept of agency beyond humans to the world of technology. The point of ANT is to highlight how what we and others take for granted is constructed out of the material of everyday life. When we find agreed routines or structures in place then their being taken for granted is a sign of power at work. What power is can be gleaned from its effects; where we find social realities that take on a stable, durable, and material form in routines, actions, practices, we may take these to be effects of power that need not have any specific or particular intention “behind” them. There is no need to develop lengthy causal chains of power at a distance linking an originary intention with a far distant effect; tracing the effects is sufficient in itself. Thus, various forms of inscription, such as maps, accounting systems, and spreadsheets, can produce definite effects far and wide; for example, using *this* map *that* navigator avoids *that* reef, using *this* accounting system *that* manager makes *that* purchase decision, and using *those* numbers *this* dean makes *that* curriculum decision. Good navigators, astute managers, and destructive deans assume their identities through the actions they engage in. These identities, “good,” “astute,” or “destructive,” are subject to constant processes of “translation”; using other inscription devices might have produced different effects. Institutionalization depends on constant translation, inscription, and reinscription.

What is institutionalized in each case in the foregoing is an accounting device rather than any particular order or

ceremonial ensemble. In each case the actors are managing by the numbers: the navigator, through charts and compass; the manager, through sales figures and forecasts; and the dean, through enrolments. In consequence, ships sail successfully or not; profits are made or not, and courses, subjects, and curricula survive or not. The normative identities of “good,” “astute,” or “destructive” depend on the interplay of the outcomes of the application of these calculation devices and the categories for making sense of the world of actions that result and are available to members’ in the worlds in which they live. Note the plurality of worlds; one of the ways that changes ensue is when the devices of one world start to colonize another.

## Bringing Power and Agency Back In

Somewhere along the way the more sophisticated conceptions of power relations as constituting the core of the social went missing in action, along with a concern with the role of the state and thus, in the theory’s terms, coercive isomorphism, although there are a few signs that power, agency, and the state are being brought back in, which I shall now discuss.

The powerful actors, in terms of normative isomorphism, are the professions (Scott, 2008). Professions, Scott maintains, define, interpret, and apply institutional elements such that they are the most influential contemporary creators of institutions. Perhaps, in arguing this he is at odds with other sociological accounts, such as Bauman’s (1987) analysis of a historical shift in liquid modernity from legislators to interpreters; in this view, the professions’ power to legislate interpretations has declined markedly, and we now live in an age in which every person potentially becomes his or her own authority on matters of diet, health, lifestyle, and general management of him or herself, matters that, in an earlier era, would have been the preserve of professionals. Views allied with Bauman would expect to see a weakening of professional institutionalization rather than a tightening as the plurality of interpretive sources available in liquid modernity overtake authoritative legislative knowledge, which, comparatively, declines in importance. In Scott’s view, professions as institutions rest on three different pillars: the regulative, normative, and cultural-cognitive pillars, familiar from DiMaggio and Powell (1983). Two views are contrasted concerning how these pillars emerge. One stresses *naturalistic evolution*, whereas the other, *agent-based view*, emphasizes power and intentional design. In practice, Scott suggests, the two accounts become tangled up; agency has unintended effects, creates routines, and is not always self-interested, such that action becomes quasinaturalized.

Scott’s (1987) adolescence of organization theory included Foucault, but, for all intents and purposes, as with other theorists who have resisted splitting the world into a priori theoretical binaries, such as Garfinkel, Sacks, and Goffman, Foucault has been strangely neglected by institutional

theory. Institutional theory may have passed its adolescence but still seems to suffer from arrested development. When it matures maybe power will no longer be largely missing in action and perhaps, following the lead of researchers such as Power (1999), the role of the state in sponsoring professions whose role is to audit society and its institutions may be acknowledged.

Institutional theorists are certainly adaptively entrepreneurial. Structuration theory, practice theory, and discourse theory have been joined to the main corpus, and, recently, it has been stretched to include the Italian political theorist Antonio Gramsci (1971) so as to better incorporate the missing power perspective. Gramsci is the theorist of hegemony—domination by consent—*par excellence*. Institutional fields interlace material, discursive, and organizational dimensions as we have seen previously. Within these fields local institutional entrepreneurs can emerge who are essentially political actors, because they are positioned as agents of strategic action and strategic change. To understand how such strategic action is possible Levy and Scully (2007) draw on Gramsci's coded account of Machiavelli's *The Prince* as *The Modern Prince* to develop a strategic theory of power that enhances understanding of institutional entrepreneurship. They build on Gramsci's account of the "war of position" led by "organic intellectuals" of the working class against the structures dominating the institutional field. The account drops the class rhetoric from Gramsci but retains the politics translated into an organizations and institutions framework, using the case of the international distribution of AIDS drugs to developing countries. Strategic action by institutional entrepreneurs demonstrates a strategic face of power reliant on skilled analysis, deployments, and coordination grounded in local knowledge with which to outflank dominant actors with superior resources. In turn, these dominant actors are able to exercise hegemony over the field with which accommodation is necessary.

It is evident that the coexistence of stasis and change and power and order comprises a key theoretical tension in institutional theory: As Leca and Naccache (2006) put it, how is institutional change possible if actors' intentions, actions, and rationality are conditioned by the institutions they wish to change? In other words, how can they exert agency as power against those structures that constrain them, if those structures do, indeed, constrain them? How do we avoid reducing structure to action, or action to structure, or of merging both? Either actors' freedom or structural constraint must be denied. The answer resides in developing a more focused way of thinking about practices as standing at the intersection of structure, events, and experiences.

Critical realism distinguishes between structures, events, and experiences. All three operate in the domain of the real, where structures and causal powers generate events. Causal

powers are the inherent dispositions of things to act in certain ways, for instance, of iron to corrode when exposed to a moist atmosphere or of a well-drilled soldier to fire when a command to halt is ignored at a tense checkpoint. In each case, given the appropriate standing or contextual conditions, causal powers will trigger certain actions such as rusting or firing. In the domain of the actual are categorized events, whether they are observed or not. Finally, the domain of the empirical is the realm of these senses and what they structure as sense data. Reality, for critical realists, is stratified on these three levels. The social actions that ensue through practice interpreting experience either reproduce or transform structures and events. (A football team is performing badly, and fans no longer attend games; revenues reduce, and the team cannot afford to buy new players to reverse the teams' fortunes in a highly competitive market and thus reverse decline; relegation occurs, and the team declines further.)

The realm of the actual corresponds to the discourse analysis of subjects' utterances as sense data according to this view. Though actors may say a great deal, there is a great deal more that happens that is not discursively articulated because it forms a part of the taken-for-granted institutions of everyday life. These institutions are actual in as much as they exist as self-reproducing recurrent patterns of behaviors—even if they are not acknowledged as such in discursive formulations. For instance, the institution of football as a spectator sport depends on the actual practices of supporters; not only must they say they support a team but they must also attend matches: a self-reproducing recurrent pattern of behavior that shapes their interactions and negotiations as spectators, consumers, social organizers, hooligans, and so on. A committed fan remains so even if the team is performing really badly; being a supporter becomes the basis for a significant part of his or her identity and the self-scripting and ascription that sustain it, something that empirical events (the team consistently disappointing) might make of questionable legitimacy but do not. In this way the practices of supporters in actuality produces the institution of the team and its place in the football code. The code, as the set of rules, is clearly a part of the institution, but it is only a part. The institutional ethos is sustained not through the formal rules but the everyday practice of a great many everyday supporters and this is why institutions belong to the domain of the actual. The code and its rules belong to a higher-order institutional logic, comprising structures located in the domain of the real. These institutional logics provide the frameworks that sustain the assumptions, beliefs, and rules through which individuals organize time and space, according to the seasonal fixture list and the sponsoring arrangements that permit the televising of matches, for instance. Each level of institutional logic, institution, and practice is tangled up in the others, but it is practice that helps reproduce or transform structures/institutional logics and events/institutions.

Actors do not create or construct social reality *de novo* or merely in the present: They live in intersecting histories. Because these histories are overlapping and essentially contested, incomplete, and indeterminate, they do not comprise a coherent whole. Any agents' practice that seeks to organize life wholly in terms of a singular institutional logic quickly becomes dogmatic, ideological, and deeply divisive: think of the effect of various kinds of religious fundamentalism on social ordering in plural societies. Nevertheless, whatever the effect, it depends on three things: practices, such as proselytizing, including, and excluding; institutional logics, such as belief systems whose legitimacy is not questioned, such as Islam, Pentecostalism, or Catholicism; and structures, such as places of worship, clergy, and networks of relationships between offices, organizations, and other institutions, such as government commissions, charities, and other circuits through which power relationships might move. Institutional logics offer opportunities for causal powers to be elaborated if the standing or contextual conditions that enable them can be configured in a sustainable and stable way. Institutional entrepreneurs thus become those categories of agent that both stabilizes standing conditions for causal powers to operate and uses these casual powers in practice. The standing conditions will be configured in and across various institutional logics, and institutional entrepreneurs will seek to use institutional logics that can rally and translate potential allies to their interests. The effects of their practice reproduce and transform the domain of the real through changing or maintaining patterns of events and experiences as these are registered or not registered discursively. Though all discursivity is a practice, not all practices are discursive. Using the theoretical logic outlined, Leca and Naccache researched the institutional entrepreneurship of a French social rating agency operating in the field of socially responsible investment. In so doing they make a significant contribution to reducing the inherent functionalism and improving the ontological depth of institutional accounts and bringing agency, practice, and structure into the forefront of its analysis. (For another example of work that seeks to accomplish a similar program the reader might look at Clegg's [1989] *Frameworks of Power*, where the central model of circuits of power has a similar set of auspices and ontology; also Davenport & Leitch, 2005.)

## Conclusion

Why does it matter if institutional theory prefers to discuss norms rather than power? The concept of power is absolutely central to any understanding of society. The ubiquity of the concept can be seen by a comparative Google search. The score for "social power" is 376 million hits; for "political power" 194 million, which compares with 334 million for

"society"; 253 million for "politics"; 52 million for "sociology"; "social class" at 280 million; "political class" at 111 million; "norms" at nearly 14 million; and "legitimacy" at nearly 8 million. Of course, such measures are crude, but the fact that the combined 470 million social and political power hits outstrip any of the other categories, as well as dwarfing the number discussing legitimacy and norms, indicates the absolute centrality of the concept (Clegg & Haugaard, 2009).

Would the new generation of theorists in disciplines such as organization theory and management recognize the pre-eminence of a concern with power from the main discussions in the literature? For many initiates into organization analysis today, institutional theory is the main game. In the super league of the game as it is played today, some basic institutional elements seem to have gone missing in action, notably discussion of power, in part but not at all entirely, due to the absence of the state. There are contributions that run counter to this assessment and in the discussion section of the article I sought to bring these to attention. Though this article has established that the third generation of institutional theory is notable in bringing power and agency back in, and that the state is absolutely central to the "audit society" (Power, 1999), the authorities cited are largely not the present leading lights of North American institutional theory. One consequence, I would suggest, is that where power is marginalized conceptually it is given a fuller remit to flourish unchecked, practically (see Walsh, 2008). I await the definitive institutional analysis of the current global financial crisis as a crisis of unchecked power at work *because* of institutionalized myths about markets, business models, and organization designs, with considerable interest. It ought to be difficult to avoid the role of the state in such an account, given the widespread rediscovery of the neo-Keynesian role of the state by governments such as the United States, Australia, and the United Kingdom in their response to the crisis.

## Declaration of Conflicting Interests

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**Bio**

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