



Scancor
Stanford University
University of Mannheim

WORKSHOP ON INSTITUTIONAL ANALYSIS 2011

**Scancor PhD Workshop
in Mannheim**
August 29 – September 2

Bruce Carruthers
Northwestern University

Gili S. Drori
Stanford University

Victoria Johnson
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For further information see
<http://www.scancor-workshop-2011.de>

UNIVERSITY OF
MANNHEIM

scancor

ifm MANNHEIM
institut für mittelstandsforschung

Scandinavian Consortium for Organizational Research

Workshop on Institutional Analysis

University of Mannheim, Germany

August 29 – September 2, 2011

This is the ninth Scancor workshop for Nordic and European doctoral students. The audience for this workshop is PhD students with an interest in recent research in institutional theory and organizational studies more generally. Previous workshops have been held at Stanford University, Copenhagen Business School, Helsinki School of Economics and IESE Barcelona.

The goal of the workshop is to enable PhD students to pursue their research more effectively, using novel research methods to examine theoretically important questions. In recent decades, institutional theory has expanded outside its origins in the United States to many settings around the world. This perspective has been valuable in explaining, among other things, the adoption of organizational structures, the incorporation of social movement ideas and goals inside organizations, and the global spread of management practice. The course provides students with a thorough grounding in the canonical works of institutional theory, an overview of recent lines of research, and an introduction to the diverse methodological tools used by scholars pursuing these ideas.

Institutional theory has been a dominant school of thought in organization theory for the past three decades. Nonetheless, this approach faces several key theoretical and methodological challenges. This workshop brings together scholars who are developing novel solutions to these challenges, most notably to issues of change and agency, as well as measurement of institutional influences and effects. The faculty will present current research, review recent papers, and discuss new methodological tools that deepen the research agenda. We pay special attention to issues of institutional origins, persistence, and transformation. We also emphasize methods of comparative, archival, and network analysis. Finally, we tackle fundamental issues involving globalization, competing institutional logics, contestation, and dynamics.

The workshop is organized around three related features: (1) a research seminar where faculty from the U.S. and Europe present current research; (2) sessions for doctoral students devoted to discussing both classic and contemporary theoretical developments within institutional theory; and (3) sessions focusing on the research methods that advance institutional research. Students will take away new insights and tools, and a deeper understanding of how to match conceptual questions with research methods. The workshop will prepare PhD students to carry out their own individual research using the methods of institutional analysis.

The faculty for the workshop includes:

- **Bruce Carruthers**, Professor of Sociology, Northwestern University
- **Gili Drori**, Lecturer in International Relations, Stanford University, and Associate Professor of Sociology, Hebrew University of Jerusalem
- **Victoria Johnson**, Associate Professor of Organizational Studies (and) Sociology and Management, University of Michigan
- **Jason Owen-Smith**, Associate Professor of Organization Studies and Sociology, University of Michigan
- **Walter W. Powell**, Professor of Education (and) Sociology, Organizational Behavior, Management Science and Engineering, Public Policy, and Communication, Stanford University. From 1999-2010, Prof. Powell was director of Scancor at Stanford.

The Participant's Role:

The PhD student should be working on a research project involving institutional theories. The goal of the course is to enable students to use the most up-to-date methods to explore their research projects. Students are required to attend all five days of the workshop and are expected to come to the course prepared by having completed the readings and ready with questions on them.

Course Credit: 5 ECTS points.

Cost: There is a fee of 200 euros for applicants from Scancor-affiliated institutions, 500 euros for others.

Language: English

Maximum Number of Students: 22

Eligibility:

The course is open to students from the Nordic countries that are the core supporting members of the Scandinavian Consortium for Organizational Research, and the universities in Europe that are partners with Scancor - - University of Mannheim, Maastricht University, ESSEC, and IESE. PhD students from other countries and universities may apply as well, and will be admitted based on available space, but they will have to register at a higher fee. Students should submit an application describing the reasons for their interest, and include their resume, a recent course paper written in English, and a letter of recommendation from their advisor.

Applications should be submitted no later than May 1st to both:

Achim Oberg, University of Mannheim, oberg@ifm.uni-mannheim.de

Annette Eldredge, Scancor, Eldredge@stanford.edu

Workshop on Institutional Analysis, 2011
Scancor PhD Workshop in Mannheim
SCHEDULE FOR THE WEEK

- **Monday, August 29th:**
 - *Morning Lectures:* Prof. Walter W. Powell, Stanford University; Prof. Michael Woywoode, University of Mannheim
 - *Afternoon Classes* with Prof. Walter W. Powell

- **Tuesday, August 30th:**
 - *Morning Lectures:* Prof. Victoria Johnson, University of Michigan; Prof. Renate Meyer, Vienna University of Economics and Business
 - *Afternoon Classes* with Prof. Victoria Johnson

- **Wednesday, August 31st:**
 - *Morning Lectures:* Prof. Jason Owen-Smith, University of Michigan; Prof. Henning Hillman, University of Mannheim
 - *Afternoon Classes* with Prof. Jason Owen-Smith

- **Thursday, September 1st:**
 - *Morning Lectures:* Prof. Bruce Carruthers, Northwestern University; Prof. Sigrid Quack, Max Planck Institute - Cologne
 - *Afternoon Classes* with Prof. Bruce Carruthers

- **Friday, September 2nd:**
 - *Morning Lectures:* Prof. Gili Drori, Stanford University and Hebrew University of Jerusalem; Prof. Georg Kruecken, University of Speyer
 - *Afternoon Classes* with Prof. Gili Drori

Monday, August 29th: Walter W. Powell, Stanford University

PUBLIC LECTURE: Chance, Nécessité, et Naïveté: Ingredients to Create a New Organizational Form

Scholars have argued that the *exploitation of new opportunities* is the defining attribute of entrepreneurial endeavors. A lively debate surrounds the opportunity aspect of that definition, questioning whether opportunities are discovered or created. We focus on the less controversial exploitation aspect of entrepreneurship, but we depart from convention in proposing that the exploitation of opportunities is an engine of social novelty. We contrast two different mechanisms for organizing a new venture: recombination (the reassembly of known practices and elements) vs. transposition (the assembly of previously unrelated practices and elements). These mechanisms are inductively derived from in-depth archival examination of 26 firms founded during the biotech industry's first decade (1972 to 1981). Given our "tweener" sample size (too large for intensive, close case-study methods, too small for regression-based approaches), we supplement our qualitative approach with a hierarchical clustering analysis, accommodating both a detailed reconstruction of each firm's founding and a rigorous cross-case analysis of the patterns of practices that cohered into distinct forms. This clustering analysis generates a typology of five variants of a new-to-the-world organizational model: the dedicated biotech firm (DBF). Three of the forms were created through recombination, as seasoned entrepreneurs and executives recruited from large pharmaceutical corporations mixed practices borrowed from their past experiences. In contrast, two of the DBF forms were associated with "amphibious" academic scientists who naively imported the practices of the invisible college into their venture-financed startups, and subsequently transported commercially-derived practices back into the academy. We argue that such transpositions confront a distinctive liability of newness: not "new" in the sense of youthful, but rather in terms of unfamiliarity or illegitimacy. Practices that seem alien and out of context are likely to be rejected or prove untenable in the domain to which they have been introduced. At the same time, such transpositions are freighted with generative possibilities that can transform social worlds, and deserve detailed examination as precursors to the emergence of novel social entities.

AFTERNOON SESSION 1: Foundations of Institutional Analysis

Background Readings (I presume everyone is familiar with these classics; if not, please read in advance):

- March, James G. and Herbert A. Simon. 1958. "Cognitive Limits on Rationality." Pp. 136-171 (Ch. 6) in *Organizations*. New York: John Wiley and Sons.
- Berger, Peter, and Thomas Luckmann. 1968 (2004). "The Social Construction of Reality: A Treatise on the Sociology of Knowledge." Pp. 296-317 in *The New Economic Sociology: A Reader*, edited by Frank Dobbin. Princeton, NJ: Princeton University Press.
- Meyer, John W. and Brian Rowan. 1977. "Institutionalized Organizations: Formal Structure as Myth and Ceremony." *American Journal of Sociology* 83: 340-63.
- DiMaggio, Paul J. and Walter W. Powell. 1983. "The Iron Cage Revisited: Institutional Isomorphism and Collective Rationality in Organizational Fields." *American Sociological Review* 48: 147-60.

Required Readings:

- Rao, Haygareeva, P. Monin and R. Durand. 2003. "Institutional Change in Toque Ville: Nouvelle Cuisine as an Identity Movement in French Gastronomy." *American Journal of Sociology* 108(4): 795-843.
- Dobbin, F., and E. Kelly, 2007. "How to Stop Harassment: The Professional Construction of Legal Compliance in Organizations." *American Journal of Sociology* 112(4): 1203-43.
- Powell, W.W. and Colyvas, J.A., 2008. "Microfoundations of Institutional Theory." Pp.276-298 in *The Sage Handbook of Organizational Institutionalism*.

AFTERNOON SESSION 2: Approaches to Studying Institutional Logics and Contestation

Required Readings:

- Lounsbury, Michael. 2007. "A Tale of Two Cities: Competing Logics and Practice Variation in the Professionalization of Mutual Funds." *Academy of Management Journal* 5: 289-307.
- Hwang, H., and W.W. Powell.2009. "The Rationalization of Charity: The Influences of Professionalism in the Nonprofit Sector." *Administrative Science Quarterly* 54(2): 268-98.
- Kellogg, Kate. 2009. "Operating Room: Relational Spaces and Microinstitutional Change in Surgery." *American Journal of Sociology* 115(3): 657-711.

Tuesday, August 30th: Victoria Johnson, University of Michigan

PUBLIC LECTURE: *The Failure of Institutional Entrepreneurship*

AFTERNOON SESSION 1: *Small-N Organizational Research*

Readings:

- Kathleen M. Eisenhardt. 1989. "Building Theories from Case Study Research." *Academy of Management Review* 14(4): 532-550.
- Dietrich Rueschemeyer. 2003. "Can One or a Few Cases Yield Theoretical Gains?" Pp. 305-336 in James Mahoney and Dietrich Rueschemeyer (eds.), *Comparative Historical Analysis in the Social Sciences* (Cambridge: Cambridge University Press).
- Victoria Johnson. 2007. "What is Organizational Imprinting? Cultural Entrepreneurship in the Founding of the Paris Opera." *American Journal of Sociology* 113(1): 97-127.

AFTERNOON SESSION 2: *Comparing Institutional Entrepreneurship in Nascent and Mature Fields*

Readings:

- Howard E. Aldrich and C. Marlene Fiol. 1994. "Fools Rush In? The Institutional Context of Industry Creation." *Academy of Management Review* 19(4): 645-670.
- Steve Maguire, Cynthia Hardy and Thomas B. Lawrence. 2004. "[Institutional Entrepreneurship in Emerging Fields: HIV/AIDS Treatment Advocacy in Canada.](#)" *Academy of Management Journal* 47(5): 657-679.
- Royston Greenwood and Roy Suddaby. 2006. "Institutional Entrepreneurship in Mature Fields: The Big Five Accounting Firms." *Academy of Management Journal* 49(1): 27-48.

Wednesday, August 31st: Jason Owen-Smith, University of Michigan

PUBLIC LECTURE: Relational Signals and Institutional Expectations: Ego Networks and Market Value Across Five High-Technology Sectors

We connect ideas about signaling and certification drawn from network research with institutional concerns about legitimacy and distinctiveness in an effort to explain the market value of high technology firms from five different sectors. This paper demonstrates that different sectors are characterized by distinct combinations of activities and partners and that deviations from those broad network portfolios influence market value. Our theory suggests that firms with network portfolios that deviate from the average of their sector make distinct claims to value, but too much distinctiveness makes attribution of category membership by external evaluators problematic. We therefore expect an inverted U-shaped relationship between market value and the distinctiveness of a firm's network portfolio. We use loglinear models to establish significant differences across sectors regarding firms' combinations of tie types and partner types. We thereafter find support for our claims about network distinctiveness and market values in a panel analyses. Our findings suggest that important extensions of structural approaches to markets result from the integration of network and institutional theories.

AFTERNOON SESSION 1: Network Theory and Methods: Core Ideas

This session will draw on recent articles and book chapters to explore new directions in network theory. After establishing the key mechanisms by which networks influence social and economic action and outcomes we will explore two hot areas in the field; Network dynamics and the contingencies that shape network effects.

Readings:

- Owen-Smith, Jason and Walter W. Powell. 2008. "Networks and Institutions." Pp. 594-621 in R. Greenwood et al. (eds) *Handbook of Organizational Institutionalism*. New York: Sage.
- Podolny, Joel. 2005. *Status Signals: A Sociological Study of Market Competition*. Princeton: Princeton University Press. Pp. 10-22.
- Small, Mario Luis. 2009. *Unanticipated Gains: The Origins of Network Inequality in Everyday Life*. Chicago: University of Chicago Press. Pp. 3-22.

AFTERNOON SESSION 2: Networks and Institutions

The session will focus on the interplay between networks and institutions; the former provide the scaffolding for institutions, while the latter sculpt and channel the formation of social relationships. The second hour will explore these ideas with the use of key tools of network analysis.

Readings:

- Kennedy, Mark T. 2008. "Getting Counted: Markets, Media, and Reality." *American Sociological Review*. 73(2): 270-295.
- Owen-Smith, Jason and Walter W. Powell. 2004. "Knowledge Networks as Channels and Conduits: The Effects of Spillovers in the Boston Biotechnology Community." *Organization Science*. 15(1):5-21.
- Sorensen, Olav and Toby E. Stuart. 2008. "Bringing Context Back In: Settings and the Search for Syndicate Partners in Venture Capital Investment Networks." *Administrative Science Quarterly*. 53(2): 266-294.

PUBLIC LECTURE: The Economy of Promises: The Origins of Credit Rating in 19th-century America

Credit ratings, and the failure of rating agencies, played key roles in the financial crisis of 2008. This paper examines the invention and spread of credit rating, an important type of market-based information used by lenders to assess the creditworthiness of borrowers. Using archival and published data from the 1870s, I assess the value of ratings in predicting the failure of small firms and explore how much ratings as “objective” or “quantitative” measures were compromised by their status as forms of intellectual property and as legally-liable claims to truth.

AFTERNOON SESSION 1: Overall theme for morning and afternoon: institutions of a market economy in comparative and historical perspective.

Many commentators and policymakers argue that modern market economies require predictability and transparency. So we consider two institutions that centrally uphold these two features: contract law (which allows for predictable binding agreements) and accounting information (which allows for accurate measurement of economic performance and value), and explore their sociological complexity.

Readings:

- Bernstein, Lisa. 1992. “Opting Out of the Legal System: Extralegal Contractual Relations in the Diamond Industry.” *Journal of Legal Studies* 21: 115-157. Only read pp.115-132.
- Carruthers, Bruce G. and Wendy Nelson Espeland. 1991. “Accounting for Rationality: Double-Entry Bookkeeping and the Rhetoric of Economic Rationality.” *American Journal of Sociology*, 97(1): 31-69.
- Macaulay, Stuart. 1963. “Non-Contractual Relations in Business: A Preliminary Study.” *American Sociological Review* 28: 55-67.
- Plantin, Guillaume, Haresh Sapra and Hyun Song Shin. 2008. “Fair value accounting and financial stability.” *Financial Stability Review* 12: 85-94.

AFTERNOON SESSION 2: Commentators and policymakers have focused on the formal institutions that undergird market economies. But informal institutions matter as well. This session considers the methodological challenge of studying formal and informal institutions empirically, both when studying a single case and when doing cross-case comparisons.

Readings:

- Fauchart, Emmanuelle and Eric von Hippel. 2008. "Norms-Based Intellectual Property Systems: The Case of French Chefs." *Organization Science* 19(2): 187-201.
- Halliday, Terence C. and Bruce G. Carruthers. 2007. "The Recursivity of Law: Global Norm-Making and National Law-Making in the Globalization of Corporate Insolvency Regimes." *American Journal of Sociology* 112(4): 1135-1202.
- MacKenzie, Donald and Yuval Millo. 2003. "Constructing a market, performing theory: the historical sociology of a financial derivatives exchange." *American Journal of Sociology* 109:107-45.

PUBLIC LECTURE: The Branding of the University: Organizational Iconography in the Era of Globalization, Managerialism, and Hyper-Rationalization

Universities worldwide are subject to pressures to change from being parts of the (welfare) state to becoming autonomous organizational actors. Accordingly, they are subject to increasing marketization and managerialization, even when such institutional logics come in contradiction with the logic of the guild-like, professional autonomy which has governed the Ivory Tower since its formation many centuries ago. This transformation, which like other changes to social institutions is simultaneously material and symbolic, is manifested in the branding of universities. Based on an extensive cross-national and longitudinal survey of university brand images (seals, logos, webpage layouts), we describe the worldwide transition towards a branded conception of the university and we point to the institutional forces that drive this transition. We argue that by defining its organizational identity in a branded way, thus conveying marketized ideas of competition and governance through icons, the social institution of the university joined the now global “brand society.”

AFTERNOON SESSION 1: Macro Processes of Institutionalization and Diffusion

Describing world society theory, in this session we shall apply institutionalist concepts to analyze cross-national and global dynamics. With that, we will interpret globalization with institutionalist discussions of diffusion, rationalization, translation of logics (or glocalization), convergence and variation, and the role of (professional and organizational) carriers.

Readings:

- Meyer, John W., John Boli, George M. Thomas and Francisco O. Ramirez. 1997. “World Society and the Nation-State.” *American Journal of Sociology* 103(1): 144-81.
- Drori, Gili S. 2008 “Institutionalism and Globalization Studies.” In Royston Greenwood, Christine Oliver, Kerstin Sahlin, and Roy Suddaby (eds.) *Handbook of Organizational Institutionalism*, Sage, pp. 798-842.
- Drori, Gili S., John W. Meyer and Hokyu Hwang. 2009. “Global Organization: Rationalization and Actorhood as Dominant Scripts.” In Renate Meyer, Kerstin Sahlin, Marc Ventresca, and Peter Walgenbach (eds.) *Ideology and Institutions*, pp. 17–43, Emerald.

AFTERNOON SESSION 2: Research Strategies for Macro Comparative Studies

Reviewing institutional comparative research, we shall outline quantitative and qualitative approaches to data and analyses. We shall describe the empirical tools to gauge the institutional concepts and processes reviewed in earlier session.

Readings:

- Drori, Gili S., Yong Suk Jang, and John W. Meyer. 2006. "Sources of Rationalized Governance: Cross-National Longitudinal Analyses, 1985-2002." *Administrative Science Quarterly* 51(2): 205-229.
- Inoue, Keiko and Gili S. Drori. 2006. "The Global Institutionalization of Health as a Social Concern: Organizational and Discursive Trends." *International Sociology* 21(2): 199-219.
- Schofer, Evan and Elizabeth H. McEneaney. 2003. "Methodological Strategies and Tools for the Study of Globalization." In Drori, Gili S., John W. Meyer, Francisco O. Ramirez, and Evan Schofer. 2003. *Science in the Modern World Polity: Institutionalization and Globalization*, Stanford University Press, pp. 43-74.