

# Connections Between Institutional Logics and Organizational Culture

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## Abstract

The relationship between institutional logics and organizational culture is explored. Institutional logics have become an important research theme in institutional theory. There are elements of the concept that have strong associations with culture especially through ideas of meaning. Also, institutional logics operate at multiple levels, in ways that are informative for discussions of organizational culture. The paper examines these relationships.

## Keywords

Institutional theory, culture, logics

I came into this dialogue “sideways.” I was neither a panel member nor did I take part in the subsequent conversation because I came late to the Academy symposium, missing all of Jennifer’s presentation and most of Tammar’s. I did really enjoy the part of the conversation on institutional theory and organizational culture for which I was able to be present. Moreover, it was good to sit and listen to others. However, when I got back to Alberta I found myself reflecting on some aspects of the session and so sent an email to Jennifer, Mary Jo, Majken, and Tammar to share my reflections with them. Those reflections must have struck a chord as, somewhat to my surprise, I was asked to take part in this dialogue! So, my aim is to develop further the very outline remarks that I made in my email.

The questions that are posed in this dialogue primarily relate to the absence of interplay between cultural studies of organizations and institutional approaches and how this might be changed. The issue was raised, “Why don’t organizational scholars who study ‘culture’ also study ‘institutions,’ and vice versa?” Of course, the answer might be that they do, but they use different concepts. It is this possibility, with respect to institutional theory, that I wish to explore here. This situation arises from increasing interest in beliefs, values, and systems of meaning and the way they shape fields, organizations, and institutional work. Indeed, Greenwood, Oliver, Sahlin, and Suddaby (2008) suggest that there is a stream of institutional theory that is cognitive and social constructivist in emphasis.

The Greenwood, Oliver, Sahlin, et al. (2008) introductory chapter in the *Handbook of Organizational Institutionalism* outlines a number of stages in the development of institutional theory. Much of the development has been from a rich portrayal of institutional fields and institutionalized organizations

(DiMaggio & Powell, 1983; Meyer & Rowan, 1977), through a somewhat limited notion of institutional theory (see Mizruchi & Fein, 1999), to an increasing rediscovery of the original richness of concepts and processes within the theory (cf. Lawrence & Suddaby, 2006; Zilber, 2008). Greenwood, Oliver, Sahlin, et al. call this last stage as “expanding horizons,” with explicit recognition of cultural-cognitive elements in institutions, embedded agency, institutional change and entrepreneurship, and contestation. And at the heart of much of this expansion has been the concept of institutional logics (Thornton & Ocasio, 2008). Indeed, Greenwood, Oliver, Sahlin, & Suddaby (2008) call this “a vibrant research theme.”

There are a number of reasons for examining institutional logics. First, it has been central to many studies and discussions over the past decade or so (essentially since Thornton & Ocasio, 1999; although cf. Friedland & Alford, 1991). Second, there are elements of the concept that have strong associations with culture. Third, it operates at multiple levels, in a way that may be informative for discussions of *organizational* culture. It is the second and third of these reasons that I want to examine here.

What are the cultural associations of institutional logics and at what levels do they operate? Scott (2001) says that institutional logics “refer to the belief systems and related practices that predominate in an organizational field” (p. 139). Taking up this definition, Reay and Hinings (2009) suggest that such logics define the content and *meaning* of

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institutions. Jones and Livne-Tarandach (2008) state that logics provide “raw cultural material.” Clearly, there are links to culture here through ideas of belief systems, meaning, and cultural material but is it to *organizational* culture?

Institutional logics are central to the field level of analysis which Wooten and Hoffman (2008), quoting Scott (1991) say is *the* central concept of institutional theory. Scott also defines a field as “a community of organizations that partakes of a common meaning system and whose participants interact more frequently and fatefully with one another than with actors outside the field” (p. 56). So, a field is a set of structured relationships between organizational actors, bound together by a common meaning system, currently conceptualized primarily as an institutional logic. From this set of definitions we are taken in two directions, in terms of possible relationships between institutional theory and organizational culture. The first is to emphasize the role of cultures outside/beyond/above the organizational level. The second is to make problematic the relationship between the field-level institutional logic and its actuality at the organizational level.

The point that organizations are part of a wider social system is an important one. Institutional theory recognizes this in a very strong way. And the concept of institutional logics has reestablished the cultural/cognitive component of fields, away from the purely structural. It would be interesting to see how such a view could be incorporated into debates about organizational cultures; to recognize and examine them as part of, springing from, and influencing the wider cultures and social systems of which they are a part. The existence of logics and zeitgeists informs the content and structure of organizational cultures and vice versa. Organizational cultures are set within networks of organizations and subject to the influence of industry and societal values and beliefs. The work in institutional theory on logics within fields has much to offer the study of organizational culture by emphasizing as it does the wider context within which cultures originate.

The other relationship to organizational culture is the way in which the concept of institutional logics has developed over the last decade. The initial use of logics tended to follow the stabilizing themes then present in institutional theory and so examined the way in which fields changed from one dominant logic to another. Rather like isomorphism Mizruchi and Fein (1999), institutional logics became a stand-alone concept associated with convergence. But two things have happened in the last decade that have modified that stance and make the links with some of the discussions occurring in the organizational culture literature clearer, although without using the conceptual framing of that literature. The two are (a) increasing discussion of multiple and conflicting logics and (b) issues of theorizing, editing, and translation from the field to the organizational level.

The first of these, the increasing discussion of multiple and conflicting logics, is somewhat akin to Martin’s (2002)

idea of differentiated cultures. There are two aspects to this; first, that there may or may not be a dominant logic at the field level, and, second, that at the organizational-level, multiple logics may operate as subcultures. Much of the initial work on institutional logics seemed to present the idea, at field level, as though there were some kind of transformational change from one logic to another. I say “seemed” because if one reads these studies closely, then there is a recognition that logics do coexist (cf. Scott, Ruef, Mendel, & Caronna, 2000; Thornton, 2004). But, there is a fairly strong sense that one logic will be dominant over another, for example, the corporate over the professional in the health sector.

Second, I think that if we accept that organizational culture is problematic, especially in the sense of a unified culture, then there is a link with the recent work in institutional theory that Tammar was talking about, namely, on the multiplicity of institutional logics. I agree that the idea of institutional logics, with its emphasis on beliefs, norms, and practices could be much better informed by properly examining how far it is actually a statement about culture. But, there is a stream of work that examines how logics at the field level are adopted/adapted at the organizational level, suggesting that they are attempts to change organizational culture but without using that concept. The recent works by Marquis and Lounsbury (2007), Lounsbury (2007), Zilber (2008), and Reay and Hinings (2009) suggest that organizations can hold two (or more) logics at the same time and find ways of ensuring that they do not compete with each other or come into conflict. In this sense, they suggest that there is no overarching organizational culture, but subcultures, or maybe that there is an organizational culture, represented by a dominant logic at the organizational level but with a “subdominant” logic that may be an alternative organizational culture or represent an occupational or departmental culture (cf. Danisman, Hinings, & Slack, 2006). So, there is a link, but it problematizes organizational culture as well as institutional logics.

This literature takes the study of logics, meanings, and cultures a stage further by suggesting that there may be collaborative relationships in organizations with different logics. These collaborations over specific tasks and activities allow competing logics to be managed. The processes and mechanisms allow those espousing different logics to maintain their independence while collaboratively accomplishing necessary work. The study of such processes and mechanisms is important for institutional and organizational culture theory.

Organizational culture scholars and institutional theorists are concerned with understanding meaning; how it is developed, shared between actors, and institutionalized (or not.) This interest leads to the second issue in institutional theory that can make a contribution to organizational culture, that of theorizing and translation from the field to the organizational level. Drawing on Strang and Meyer (1993), Greenwood and others (2002) define theorization as “the development and

specification of abstract categories and the elaboration of chains of cause and effect. Such theoretical accounts simplify and distill the properties of new practices and explain the outcomes they produce" (p. 60). As Strang and Meyer put it, "models must make the transition from theoretical formulation to social movement to institutional imperative" (p. 495).

Translation is about transporting institutions from one field to another or from one country to another (or both). In the process, there is the possibility of changing the institution as the attempt is made to "make it fit" the recipient field (Sahlin & Wedlin, 2008; Zilber, 2008). Involved in this is the idea of selectively drawing from the various elements of the institution, such as logics (Czarniawska-Joerges & Sevón, 1996; Sahlin & Wedlin, 2008). Such work emphasizes two things: (a) the potential mutability and flexibility of institutional logics, beliefs, and meanings as they are reformulated in incremental ways and (b) the work of actors in that reformulation and the ways in which they create new meanings.

Theorizing and translation are both part of understanding the development and diffusion of ideas and, as such, are not only central to institutional theory but also to organizational culture. The processes that all of the authors cited are dealing with concern how sets of ideas and practices arise, are developed, adopted, and changed over time. Of importance here is the movement of these ideas from the field level to organizations within the field. The idea of theorization points to the necessity of establishing *why* an emergent culture or practice should be adopted; that of translation points to the ways in which established meanings are (usually) subtly changed as they move from one jurisdiction to another and the active agency involved in this process.

### For Further Thought

These are not conclusions!! In attempting to write something about the relationship between organizational culture and institutional theory, from the viewpoint of an institutional theorist, I realize how little I really know about more recent work in organizational culture. And yet, in my own writing on logics, theorizing, and translation, I am dealing with ideas that are germane to organizational culture. So, my first thought is that I need to become much more familiar with that work on culture and allow it to inform my own work situated within institutional theory. A dialogue of the kind instituted at the Academy and continued in this exchange is a process that should be adopted on a much wider scale within the academe and between scholars in different subdisciplines.

In addition, in writing this, I am quite forcibly struck by the development of one area within institutional theory that is about the relationship between ideas and meanings at the field level and their adoption and diffusion at the organizational level. Of course, the existence of multiple levels has always been central to institutional theory, but recent work is

problematizing the relationship. This is a very important development within institutional theory, but I also believe that there is a lot of traction here for the study of organizational culture.

So per ardua ad astra or should it be per ardua ad alta!!

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