

Institutionalism





Neo-Institutionalism

- Institutional theorists assert that the institutional environment can strongly influence the development of formal structures in an organization, often more profoundly than market pressures.
- Emphasizes the pervasive influence of institutions on human behavior through rules, norms and conceptual frameworks.
- Innovative structures that improve technical efficiency in earlyadopting organizations are legitimized in the environment.
- **Loose coupling:** Formal structures decouple from technical activities and outcomes. Same appearance belies content variation.

