Summary of old institutionalism

1 Institutions and institutionalization

1.1 Institutions:

- general definition: taken for granted idea about appropriate practices
- "old" institution: idea/practice that becomes widely accepted to the point of being "taken for granted" at the organization-level or org sub-level (e.g., "comprehensive exam" process for an MA or PhD program)
- "new" institution: idea/practice that becomes widely accepted to the point of being "taken for granted" for all organizations of a particular type, or at the societal level (e.g., A university should have a "student success" center)

1.2 Institutionalization

- general definition: the process by which an idea/practice becomes taken for granted as legitimate/appropriate;
  - said different, the process/interactions by which an institution emerges
- of an "old" institution: process by which an idea/practice becomes taken for granted as legitimate/appropriate at the organization-level or sub-organizaiton-level (or within a particular professional association)
- of a "new" institution: process by which an idea/practice becomes taken for granted as legitimate/appropriate for all organizations of particular type

2 "old institutionalism" as an approach to studying organizational behavior

- "Old" institutionalism is an approach to analyzing organizational behavior that examines how organizational goals/behaviors change or don't change by focusing on:
  - internal organizational dynamics (e.g., values of key personnel, changes in org structure)
  - interplay between organization and local external environment (e.g., local business leaders, local elected officials, alumni, donors, etc.)
  - **conflict.** Emphasizes power dynamics and conflict between competing status groups, how well a status group organizes and builds a coalition to maintain/obtain privileged access to resources

2.1 status groups

- Definition

- from Karabel (1984) , p. 3: "associational communities comprised of all who share a sense of status equality based on participation in a common culture. The basis of membership in such status groups, Weber maintains, may be any 'externally identifiable characteristic' racial, linguistic, religious, social - that may serve 'as a pretext for attempting. . . exclusion' "
  - Example: New England Protestant business class
- Competition/conflict between status groups
- "status groups" in competition to gain privileged access to resources

  - In modern society, access to resources no longer determined by brute force; rather, organizations and bureaucracies grant access to resources (e.g., Universities award degrees)
  - Status groups compete for resources by attempting to change which criteria are deemed "meritorious" with respect to gaining access to organizations

2.2 Organizations as sites of contestation between status groups in external and internal environment

- Organizations confer access to resources
- Status groups (that are external actors to the org) try to make access to the org depend on criteria that benefit particular statust group (e.g., applicants must demonstrate "character")
- External resource perspective

  - Orgs have incentive to privilege criteria that benefit status groups that control external resources the org needs for survival (e.g,. tuition revenue, donations)

- Leaders of the org are often themselves members of particular status group (often the dominant status group)

  - Often biased towards privileging criteria desired by their status group (independent of external resource considerations)

2.3 Strategies employed by orgs that don't have support from organizations associated with powerful status groups

- gain support of more powerful orgs (e.g. public research universities) by claiming that your niche fits within the interests of the more powerful org

  - e.g., CC vanguard claiming CCs will keep "inferior" applicants from transferring to the university (Brint & Karabel, 1989)

- Finde a niche by engaging in practices that high-status orgs view as illegitimate

  - Examples:
    * Jewish banking firms inventing the "hostile takeover" (Hirsch, 1986)
    * for-profit colleges embracing online education
  - if practice turns out to be profitable, high status orgs will eventually adopt

3 Flavors of old institutionalism

Old institutionalism is not really a single theory, but an approach to studying orgs that has different flavors (akin to different flavors of rational choice theory)

3.1 Weberian status group competition approach

- orgs as site for competition between status groups
- analyze connections between internal org actors and external actors associated w/ particular status groups

- analyze internal power dynamics; some internal actors more powerful than others (formal authority; informal authority such as connections to powerful status groups or membership in a coalition)

- coalition building – involving both internal and external actors – as a means of winning competition between competing status groups
- strategy and discipline matter

3.2 Selznick approach

- idealistic view that [non-profit] orgs support societal values (e.g., "equality of opportunity")
- In order for the org to support support this societal value, actions of org must be directed towards supporting this goal
- Unfortunately: orgs are also *operative systems* that need to raise revenues, cut costs, etc. to survive;
    - Sometimes goals associated w/ operative system can become take priority over original mission to support some societal value
- Internal/external actors who are/become powerful can influence goals/actions of the org to promote their self-interest
- Internal dynamics that make org goals/values likely to change
    - Change in leadership; new personnel not committed to org mission
    - Change in organizational structure that re-shuffles power dynamics
    - Adoption of new processes for the sake of efficiency, or outsourcing core activities to external orgs
    - Coalitions of internal/external actors that mobilize to shift purpose of org
- External dynamics that make org goals/values likely to change
    - No organization can survive without support from external environment;
        * orgs must adapt to shifts in societal values that makes a core function of the org less important to society
        * Orgs must adapt behaviors if org behaviors become viewed as illegitimate by society (e.g., denying LGBT student orgs funding in the 2000s)
    - Actors in external environment that provide needed resources have leverage to demand changes in org goals/behaviors
        * "they who pay the piper calls the tune"
    - Orgs that control access to valued resources (e.g., flagship universities) become sits of conflict between competing "status groups" who want more access to the org
    - Strategy, coalition building across status groups outside and within org become important determinants of outcome (e.g., civil rights movement)

4   Why old institutionalism remains useful for scholars

- Old institutionalism doesn't make a priori prescriptive predictions about org behavior (as opposed to resource dependence theory);
    - views org behavior as contingent, depends interactions in unique empirical context

- Rather, Old institutionalism points you in the right direction about the broad sorts of actors, processes, relationships to pay attention to in the internal and external environment
- You identify these actors, processes, relationships that are important for the particular empirical context you are studying
- Press play and observe what happens

References

Brint, S. G., & Karabel, J. (1989). *The diverted dream: Community colleges and the promise of educational opportunity in america, 1900-1985* (pp. ix, 312p.). New York: Oxford University Press.

Hirsch, P. M. (1986). From ambushes to golden parachutes: Corporate takeovers as an instance of cultural framing and institutional integration. *American Journal of Sociology*, *91*(4), 800–837.

Karabel, J. (1984). Status-group struggle, organizational interests, and the limits of institutional autonomy: The transformation of harvard, yale, and princeton, 1918-1940. *Theory and Society*, *13*(1), 1–40.