Institutional Logics and the Historical Contingency of Power in Organizations: Executive Succession in the Higher Education Publishing Industry, 1958–1990[1]

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This article examines the historical contingency of executive power and succession in the higher education publishing industry. We combine interview data with historical analysis to identify how institutional logics changed from an editorial to a market focus. Event history models are used to test for differences in the effects of these two institutional logics on the positional, relational, and economic determinants of executive succession. The quantitative findings indicate that a shift in logics led to different determinants of executive succession. Under an editorial logic, executive attention is directed to author-editor relationships and internal growth, and executive succession is determined by organization size and structure. Under a market logic, executive attention is directed to issues of resource competition and acquisition growth, and executive succession is determined by the product market and the market for corporate control.

Classic and contemporary theory and research in sociology have emphasized the importance of leadership succession in demarcating changes in

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power and authority in organizations and in society (Fligstein 1987, 1990). Among the early studies in the sociology of organizations, Gouldner (1954) and Grusky (1960, 1963) defined succession, the replacement of key officials, as a critical process in the transition from personal to bureaucratic patterns of control in organizations. Contemporary research on succession has continued to focus on the sources of executive power and authority, with an emphasis on the internal political dynamics in organizations. For example, recent studies examine the social psychology of CEO relationships, the demographic and structural characteristics of boards of directors, and the political dynamics among board members and top management (Boeker 1992; Ocasio 1994; Zajac and Westphal 1996, respectively).

Institutional approaches suggest a different focus for studies of leadership power in organizations—that interests, power, and politics in organizations are shaped by institutional logics prevailing in wider environments (Fligstein 1990; Friedland and Alford 1991; Powell 1991; Davis and Greve 1997; Meyer et al. 1997). According to this view, while power and politics are present in all organizations, the sources of power, its meaning, and its consequences are contingent on higher-order institutional logics. Institutional logics define the rules of the game by which executive power is gained, maintained, and lost in organizations (Jackall 1988). Moreover, institutional logics are historically variant and are shaped by economic and social structural changes (Fligstein 1985, 1987; Fligstein and Brantley 1992; Barley and Kunda 1992). However, the effects of institutional logics on the determination of power in organizations is not emphasized in most empirical analyses of intraorganizational power or, in particular, in recent studies of succession. While a general theme of both classic and contemporary studies on leadership succession is that organizational politics shape executive change, the idea that the political determinants of succession are themselves conditioned by historical context and institutional logics has been relatively unexplored, with the exception of Fligstein (1987).[2]

In this article, we explore how a historical shift in the dominant institutional logic in an industry from the logic of professions to the logic of markets led to a transformation in the political dynamics in organizations and the determinants of executive succession. We select the higher educa-

[2] Note, however, that Fligstein (1987) does not study executive succession directly but instead studies the functional backgrounds of executives at different time periods. Furthermore, he focuses on how executive power is shaped by changes in state policies (Fligstein 1990) and changes in organizational strategies and structures (Fligstein 1987, 1990). Our study differs from Fligstein's in our theoretical emphasis on the consequences of change in industry-level logics and in our empirical focus on the shift from a professional to a market logic. Note that Fligstein's (1990) conceptions of control may be considered an alternative logic to either professions or markets—with production, marketing, and financial conceptions as three distinct variants of managerialism.

tion publishing industry for the analysis because it provides a vivid case of historical variation in the prevailing institutional logics. Previous studies on publishing suggest that it experienced a transformation from an industry that emphasized publishing as a profession to one where executives paid increasing attention to the influences of competition and market forces (Powell 1985; Tebbel 1987). Combining interview data with historical analysis, we examine the characteristics of the institutional logics at different time periods, which reveal the shift from an editorial logic to a market logic. We then estimate hazard rate models of executive succession events in the industry from 1958 to 1990, analyzing how the historical changes from an editorial to a market logic shaped the relative importance of the positional, relational, and economic determinants of executive power and succession.

This article makes several contributions. First, it establishes empirically the historical contingency of the potential sources of power and executive succession in organizations. Linking neoinstitutional theory and research to the study of intraorganizational power and executive succession, we develop and test hypotheses that focus on the historical periodization of sources of executive power and control (Fligstein 1987, 1990). We extend existing studies of organizational politics by exploring how the salience of various sources of power, both internal and external to the organization—formal position and rank in the hierarchy, organization size and differentiation, ownership form, resource competition, and the market for corporate control—are historically contingent on the prevailing institutional logics. In particular, we show for the higher education publishing industry a historical increase in the importance of economic determinants of executive power and a decline in the effects of positional and relational sources of power on executive succession.

Second, this article makes a theoretical contribution by developing a set of mechanisms, operating across multiple levels of analysis, by which institutional logics shape power in organizations. At the macrolevel, we build upon Friedland and Alford's (1991) focus on institutional logics as supraorganizational patterns, both symbolic and material, that order reality and provide meaning to actions and structure conflicts. At the industry level, we propose that logics are embodied in the common identity of industry players, which is based on social comparison and status competition among competitors (Porac et al. 1995; White 1992). At the level of organizational actions and decisions, we focus on the social organization of attention and decision making (Simon [1947] 1997; Ocasio 1997; Zerubavel 1997). We extend theory by proposing three mechanisms by which institutional logics direct attention to alternative sources of power in organizations.

Third, this article extends the empirical analysis of institutional perspectives by combining interviews and historical research with the use of

piecewise exponential models to test the consequences of differing institutional logics on succession. The piecewise specification tests for interaction effects of the organizational and market determinants of power with the institutional logics prevailing in different historical periods. To our knowledge, this is the first study to combine an extensive data set using interviews, literature reviews, and quantitative modeling with annual event history data on individual actors, organizations, and their environments.

This article is organized as follows. First, we develop our theory of how a transformation in institutional logics changes the determinants of executive succession. Second, we use interviews and historical research to develop a typology of two ideal types of institutional logics: editorial and market. Third, we formulate hypotheses that relate the attributes of these ideal types to the dependent variable, executive succession. Last, we use event history models to test our hypotheses on how changes in the institutional logics affect the rate of executive succession.

THEORY

According to political theories (Perrow 1986; Pfeffer and Salancik 1978; Pfeffer 1981, 1992), executives derive their power and authority from their formal position in the organization, their social relationships, the organization's reputation and status, and the executives' ability to manage the organization's strategic contingencies and resource dependencies. This article builds on existing power and politics perspectives by examining how these determinants of power in organizations are historically contingent. Our theory and analysis, while consistent with resource dependence theory and structural contingency perspectives, emphasizes how the determinants of power, including dependencies and contingencies, are moderated by the prevailing institutional logic (Jackall 1988; Friedland and Alford 1991; Haveman and Rao 1997, p. 1607).

We define institutional logics as the socially constructed, historical pattern of material practices, assumptions, values, beliefs, and rules by which individuals produce and reproduce their material subsistence, organize time and space, and provide meaning to their social reality (Jackall 1988, p. 112; Friedland and Alford 1991, p. 243). Institutional logics are both material and symbolic—they provide the formal and informal rules of action, interaction, and interpretation that guide and constrain decision makers in accomplishing the organization's tasks and in obtaining social status, credits, penalties, and rewards in the process (Ocasio 1997). These rules constitute a set of assumptions and values, usually implicit, about how to interpret organizational reality, what constitutes appropriate behavior, and how to succeed (Jackall 1988; March and Olsen 1989).

Institutional perspectives emphasize how historical change is important

in understanding the patterns of power and control in organizations (Brint and Karabel 1991; Fligstein 1987, 1990). This notion dates back to Weber ([1922] 1978) and his identification of historically situated ideal types: control by individual charisma, by tradition, and by legal bureaucracy. Similarly, Grusky recounts how the problem of succession went through several historical stages that accompanied institutional change in the governance of American business: (1) control by the charismatic leader—the entrepreneur-founder, (2) transfer of control on the basis of kinship, and (3) change in control on the bureaucratic basis of professional competence. He noted that "the particular sequence of stages should influence the nature of the succession problem" (Grusky 1960, p. 110). More recently, Fligstein (1987) and Ocasio and Kim (1999) found that the functional backgrounds of those who rose to power in large U.S. corporations was determined by historical shifts in conceptions of control. Brint and Karabel (1991) showed how the ability of administrators to promote change and to advance their own managerial interests in U.S. community colleges was shaped by new institutions for student testing and placement and the adoption of the guiding ideology of vocationalization.

We follow Friedland and Alford's (1991) account of how the institutions that shape organizational action are embedded within higher-order societal logics. The major institutions of society—the market, the state, the corporation, the professions, religion, and the family—provide a distinct set of often contradictory logics that form the bases of political conflicts. Friedland and Alford (1991, p. 242) argue that individuals, organizations, and society constitute three nested levels, where organization and societal-level institutions specify progressively higher levels of opportunity and constraint for individual action.

We examine an additional level at which institutional logics operate—the industry. Note that our focus on industry logics complements past research that focuses on logics embodied in organizational forms (Haveman and Rao 1997). We suggest that an industry is a relevant boundary for identifying institutional logics because industry producers develop common identities and "valuation orders" that structure the decision making and the practices of the players in a product market (White 1981, 1992). Such common identities and valuation orders emerge from social comparisons among firms under conditions of resource and status competition. These common identities and valuation orders become institutionalized particularly where such practices map to legitimating accounts (Strang and Meyer 1994; Davis and Greve 1997). Therefore, institutional logics provide an articulation between the social and economic structures and the rules and meanings that constitute a commonly understood set of actions within the industry (Porac et al. 1995).

More specifically, we explore how industry-level institutional logics

shape the positional, relational, and economic determinants of executive power and succession across different historical periods. By positional, we mean those determinants of power that are inherent in the actor's role or position, such as founder or division executive. By relational, we mean those determinants of power that derive from the structure of relationships among actors, and groups of actors both intra- and interorganizationally. By economic, we mean the determinants of power related to issues that have consequences for firms in a product market and their performance, such as access to public capital markets, resource competition, profitability, and the market for corporate control.

We propose three mechanisms by which industry-level institutional logics shape executive power in organizations. First, the meaning, appropriateness, and legitimacy of various sources of power are shaped by the rules of the prevailing institutional logics. Institutional logics provide the rules that legitimate whether positional, relational, or economic factors form the basis of leadership power and authority in organizations (March and Olsen 1989). For example, in the context of the publishing industry, institutional logics indicate how the positions of founder, editor, publisher, president, manager, and chief executive officer (CEO) are valued and understood.

Second, institutional logics determine what issues to attend to in controlling and rewarding political behavior (March and Olsen 1976; Ocasio 1997). Logics provide the rules of the game that shape the cognition of social actors in organizations (Powell and DiMaggio 1991; DiMaggio 1997). Given ambiguity and cognitive limitations on executive decision making, organizations are limited in their ability to attend to all aspects of their environments (March and Olsen 1976; Simon 1997). Hence, organizational decision makers are constrained to focus their attention on a limited set of issues. Institutional logics comprise a set of implicit rules of the game that regulate which issues, strategic contingencies, or problems become important in the political struggle among actors in organizations (Ocasio 1997). For example, whether power is allocated to those enhancing the prestige of the publishing house or to those improving market position depends on whether the prevailing institutional logic in the industry focuses attention on prestige or, alternatively, on market competition.

Third, the assumptions, values, beliefs, and rules that comprise institutional logics determine what answers and solutions are available and appropriate in controlling economic and political activity in organizations (March and Olsen 1976). For example, institutional logics regulate whether to control or reward publishing executives' focus on particular solutions, such as organic (i.e., internal) or acquisition growth strategies, building personal imprints, or developing market channels. Moreover, the prevailing institutional logics determine the likelihood and appropriate-

ness of leadership succession itself as a political behavior and a routine solution to the problems of organizational performance. Consequently, the utilization of executive succession as a solution to organizational problems of market instability depends not only on prevailing economic conditions but also on whether existing institutional logics legitimate succession as an appropriate response to market instability.

RESEARCH DESIGN

To examine the consequences of institutional logics on executive power and succession requires identifying the prevailing logics in the industry and specifying whether and how these logics may have changed over time. This research strategy is in the empirical tradition of Fligstein (1985, 1987, 1990), Edelman (1990), Fligstein and Brantley (1992), Sutton and Dobbin (1996), Ramirez, Soysal, and Shanahan (1997), Zhou, Tuma, and Moen (1997), and Ruef and Scott (1998), a tradition in which differences in the effects of independent variables across time periods are used to draw inferences about changes in institutional logics and conceptions of control across these same periods. This research design assumes that institutional logics cannot be directly measured through any one variable or set of variables. Instead, our methodology follows those of the authors cited above in connecting the quantitative research to a historical analysis of the prevailing logics.

Our methods improve upon prior research by the use of in-depth interviews with industry principals to define the institutional logics and to identify the historical time periods in which they prevailed. Our selection of the higher education publishing industry for the analysis allows us to document and analyze the historical shift from a professional to a market logic. However, an important limitation of this historical design and sampling method is that firms in which the logic of the professions is prevalent are likely to be privately held and do not publicly disclose performance data, a potentially important determinant of executive succession. This limits our ability to measure firm performance as is common in conventional studies of succession using publicly held firms (Ocasio 1994; Zajac and Westphal 1996).

Our method follows Doty and Glick (1994), who illustrate the use of typologies in theory building and modeling. To identify the institutional logics and how they changed, we conducted taped interviews with higher education publishers, investment bankers who specialize in publishing, and staff of the Association of American Publishers (AAP). These interviews are part of a larger research project on higher education publishing. In 1991, 30 individuals were selected for interviews on the basis of their past and present leadership positions in the industry. These interviews

were transcribed and used to supplement historical sources and to formulate and ground the theoretical hypotheses. The appendix includes further information on the interviews. In addition, we conducted historical research using the industry trade literature, the publisher case histories written by the historian John Tebbel, and other books and articles on publishing (see quantitative data and methods section). From this information, we developed a theoretical typology, an abstract model of two ideal types of institutional logics: an editorial logic, which prevailed during the 1960s and early 1970s, and a market logic, prevailing since the mid-1970s. Each logic represents a combination of attributes that are hypothesized to be the determinants of executive power and succession in organizations.

FROM AN EDITORIAL TO A MARKET LOGIC

According to our interviews and historical analysis, publishers described the 1950s and 1960s in higher education publishing as characterized mostly by small houses that were privately owned by families and persons who engaged in publishing as a lifestyle and a profession. The dominant form of leadership was the founder-editor, whose legitimacy and authority stemmed from their personal reputation in the field, their position in the organizational hierarchy, their relational networks with authors, and the stature of their books (Coser, Kadushin, and Powell 1982). The founder-editor's expertise was embodied in the individual person, and because of the uncertainty over the precise ingredients of a best seller, these leaders were accorded professional status (Hirsch 1972). Table 1 summarizes the characteristics of the two ideal types of institutional logics.[3]

During this era, publishers viewed their mission as building the prestige and the sales of the publishing house. To do so, they focused their attention on strategies of organic growth, hiring and developing editors with the best reputations to build personal imprints, develop new titles, refine the backlist of existing titles, and nurture relationships with authors (Asser 1989). Capital was committed to the firm for the longer term, and the leader's life cycle and family estate plans were the salient determinants of executive succession. We refer to this first set of ideal type attributes as the *editorial logic.*

The prevalence of an editorial logic during this time is exemplified by comments from the executive vice president in charge of strategic planning for a major higher education publisher:

[3] We have validated the two institutional logics with the phenomenological experience of executives in higher education publishing. As evidence that these logics have been found to be consistent with executives' own understanding, these ideal types are currently used at a well-known university publishers' college in their executive leadership training program.

TABLE 1

TWO IDEAL TYPES OF HIGHER EDUCATION PUBLISHING

	Editorial Logic	Market Logic
Characteristics	Personal capitalism	Market capitalism
Organizational identity	Publishing as profession	Publishing as business
Legitimacy	Personal reputation	Market position
	Rank in hierarchy	Rank in performance
Authority structures	Founder-editor	CEO
	Personal networks	Corporate parent firm
	Private ownership	Public ownership
Mission	Build prestige of house	Build competitive position
	Increase sales	Increase profits
Focus of attention	Author-editor networks	Resource competition
Strategy	Organic growth	Acquisition growth
	Build personal imprints	Build market channels
Logics of investment	Capital committed to firm	Capital committed to market
Rules of succession	Family estate plans	Market for corporate control

> In the 1960s, publishing was a different world. Most of the companies were small and private. Nobody talked about profits; sales, yes, but not profits. . . . A lot of the publishing companies in those days were still run by the grand old men of publishing. I used to see Mr. Knopf come in every day with his white hair and his cane and walk into his dark blue velvet office with a great mahogany desk. There were truly devoted editors, who were really into literature. . . . And so this world was really not about business, and nobody cared that much about making a lot of money. You went into publishing because you liked authors and books.

In another interview, a former president and CEO in the early 1980s of one of the largest companies with both trade and higher education divisions talked about the historical change in the salience of personal reputation and relational networks with authors. He said, "when Prentice Hall bought Allyn and Bacon from the family in 1952, we asked about the royalty rate paid to authors. I remember how incredulous I felt when I heard the answer—they said it depends on whether they had a good year or not."

Within the period of an editorial logic, there were companies that operated as hierarchies—for example, the larger companies such as Prentice Hall, McGraw-Hill, and Macmillan. In addition, some of the venerable old-line publishers, such as Wiley and Harcourt Brace, became hierarchies in the 1960s (Moore 1982; Morris 1994). When William Jovanovich became president of Harcourt in 1960, he took the company public and began to mold it into a diversified hierarchy. However, at the same time, he

continued to run the publishing interests from an editorial logic, centered around a dominant individual with he himself editing manuscripts (Tebbel 1981). The growth of publishing hierarchies added the attribute of rank in the hierarchy as a salient characteristic of organizational identity under an editorial logic.

Based on our interviews and historical research, publishers described a shift that occurred in the organizational identity of higher education publishing sometime during the 1970s—a shift from publishing as a profession to publishing as a business. With this change, the dominant form of leadership became the CEO, whose legitimacy and authority stemmed from the firm's market position and performance rank, the corporate parent firm, and public shareholders. The mission was to build the competitive position of the firm and increase profit margins. To do so, the focus of executives' attention changed to counteracting problems of resource competition by using strategies such as acquisition growth and building market channels. This attention to "marketing" books is in sharp contrast to the older editorial logic where it was believed that good books sold themselves by favorable word of mouth (Powell 1985, p. 10). Hence, there was little point in investing in marketing a good book—people either have or lack the capacity to appreciate genius (Lane and Booth 1970, p. 42). Tebbel (*Microsoft Encarta 97 Encyclopedia* [CD-ROM], *s.v.* "book trade") reinforces this point by noting that in the 1960s modern marketing methods were rare in publishing. However, by the early 1980s, most publishers were emphasizing the most advanced marketing techniques. The logic of investment is to commit capital to its highest market return, and the salient rules of succession are shaped by the market for corporate control. We refer to this second set of ideal type attributes as the *market logic.*

One veteran publisher summarized this new market logic as follows:

> If you take it back to the 1960s, I remember seeing some things that were odd by publishing standards at the time. . . . The conglomerate phenomenon was one. It was not only the big companies outside the industry buying publishers, but there were some internal examples. . . . What sticks in my mind was the guy who put together InText. Buying up all those little companies to make one big important company. We real publishers looked at this and wondered—why was he doing this? This didn't fit publishing as we knew it. . . . All of a sudden what were really editors were now managers. The outside conglomerates gave up and divested . . . they couldn't understand the business . . . that we don't break even until nine months into the year. . . . But the conglomerate acquisitions gave publishers a first glance at finance skills and a new business—investment banking. . . . Maybe that is why we now [1991] have a market for publishing companies. . . . Of course, market pressures now create a whole new problem for executive stability.

Another executive publisher described the heightened attention to marketing and to building market channels and how in his company the editorial focus became contested:

> In the early 1970s, when I was the executive in charge of a division, the company CEO had a serious discussion with me about how I had to get rid of all these little books. Even though my books were important in their fields and selling well, they were in small markets and required the same amount of a sales rep's time—time that could be spent selling a book for a larger market. . . . But my real recognition of how this business had changed came when the parent company asked us not for editorial talent but for management talent for their other divisions. It was the realization that our mission was to grow managers, not book editors, that really shook me.

We also found support for a rise in market logic in the publishing industry literature. For example, Greco (1996, 1997) describes what he termed a "substantive reconfiguration" within publishing attributed to the direct impact of strategic planning practices on executives. Shatzkin (1982) comments on the commercialization of publishing strategies and its impact on the declining prominence of the editorial function. In reference to scholarly publishing, Powell (1985, p. 12) described a "shift in power within publishing houses—one in which editors are in decline and corporate managers and marketing are in ascendance." With respect to college text, scholarly, and trade publishing, Coser et al. (1982, p. 29) noted "a shift in the internal status order within publishing houses—a process in which the power of editors declined . . . and the influence of professional managers has risen." Last, the publishing historian Tebbel (1987, pp. 463, 464) also describes the decline in the influence of editors and the rise of market influences on publishing. He notes, "When the giant conglomerates stretched their tentacles into the book business, the moves sometimes brought into the publishing world a kind of executive not seen before." In another book, Tebbel (1981, p. 511) continues to discuss this point by saying, "Management was now in the hands of business-oriented people, while those who had combined business with editorial creativity were out of control."

A number of factors contributed to the decline of an editorial logic and the rise of a market logic. Haveman and Rao (in press) argue that when "segregating" processes—such as changes in competition, new political processes, the atrophy of social networks, new views of legitimacy, and new technologies—occur, they create pressures that contradict the prevailing logic and give rise to a new one. A review of the industry literature and time series data indicates that several of these processes occurred. In the early 1970s, there began a period of transition in logics, which was

propelled by new sources of capital in the industry, an increase in resource competition in the product market after the mid-1970s, new sources of information from trade presses that emphasized a focus on market logics, and the development of investment banking practices and firms specialized to the industry.

The antecedents for the changes in logics were evidenced by changes in market demand and the need for new sources of capital. In the 1960s, market demand exploded along with the demographic expansion of postwar baby boomers en route to college and with increased state and federal investments in the construction of new colleges and universities (Coser et al. 1982; Brint and Karabel 1991). Figure 1 shows the continuous increase in college enrollments prior to 1975, with a tapering off of the rate of increase afterward. Similarly, the sales of college-level books, approximately $67 million in 1956, had grown to more than $531 million in 1975, indicating that publishers responded to the increased demand in the product market (*Bowker Annual of Library and Book Trade Information* [1958, 1975]). With this growth, Wall Street analysts began to tout higher education publishing as a growth industry, signaling to corporate executives outside the industry, who were engaged in the heralded diversification strategies of this time (Fligstein 1990), that publishing firms were attractive targets for acquisition (Powell 1980; Coser et al. 1982, p. 25). Faced with both market growth and increasing competition, publishers needed new sources of capital (Smith 1995). As a result, family-estate publishers faced two choices: going public to obtain access to public capital markets or securing funding by being acquired.[4]

The increase in demand led to an increased number of publishing organizations and a change in the level of resource competition (see fig. 2). After 1975, resource competition in the product market became a salient issue because of the decline in the rate of increase in college enrollments (see figure 1), the acquisitions campaign into the American marketplace by foreign conglomerates (Graham 1994; Levin 1996), and the entry of nontraditional competitors specializing in course packs and used books (Bernstein Research 1994; Baker and Hileman 1987).

For publishing companies that were acquired, one consequence was that they became divisions and subsidiaries of corporate parent firms. Par-

[4] Acquisitions in the publishing industry should not be confused with hostile takeovers (Davis and Stout 1992). In examining all *Literary Market Place* and *Publishers Weekly* reports of acquisitions for the observation period, there were only three hostile takeover attempts in the 1980s, all of which failed. Furthermore, no hostile takeovers in the industry were found using SearchBank. When publishers were queried in interviews, they corroborated these findings that hostile takeovers are rare. As the president of the higher education division of one of the largest publishers put it, "Why would we have hostile takeovers? The assets in this business walk out the door every night."

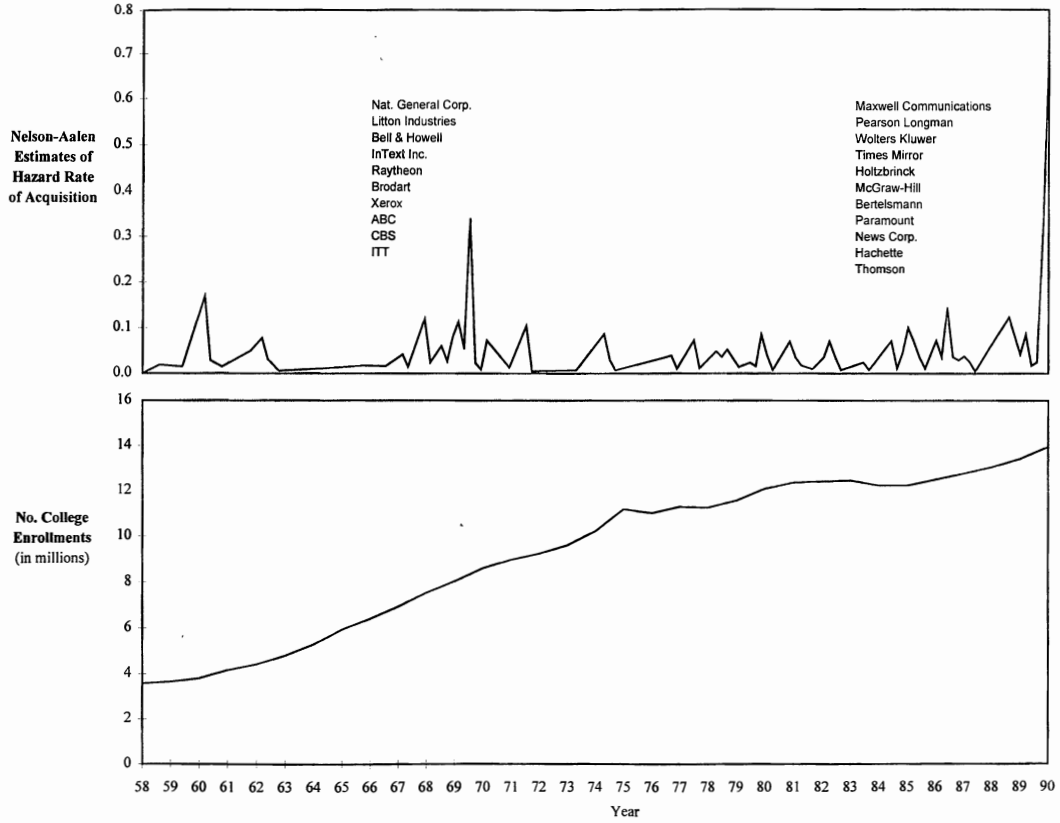

FIG. 1.—Industry time-series data for hazard rate of acquisition and number of college enrollments for higher education publishing, 1958–1990.

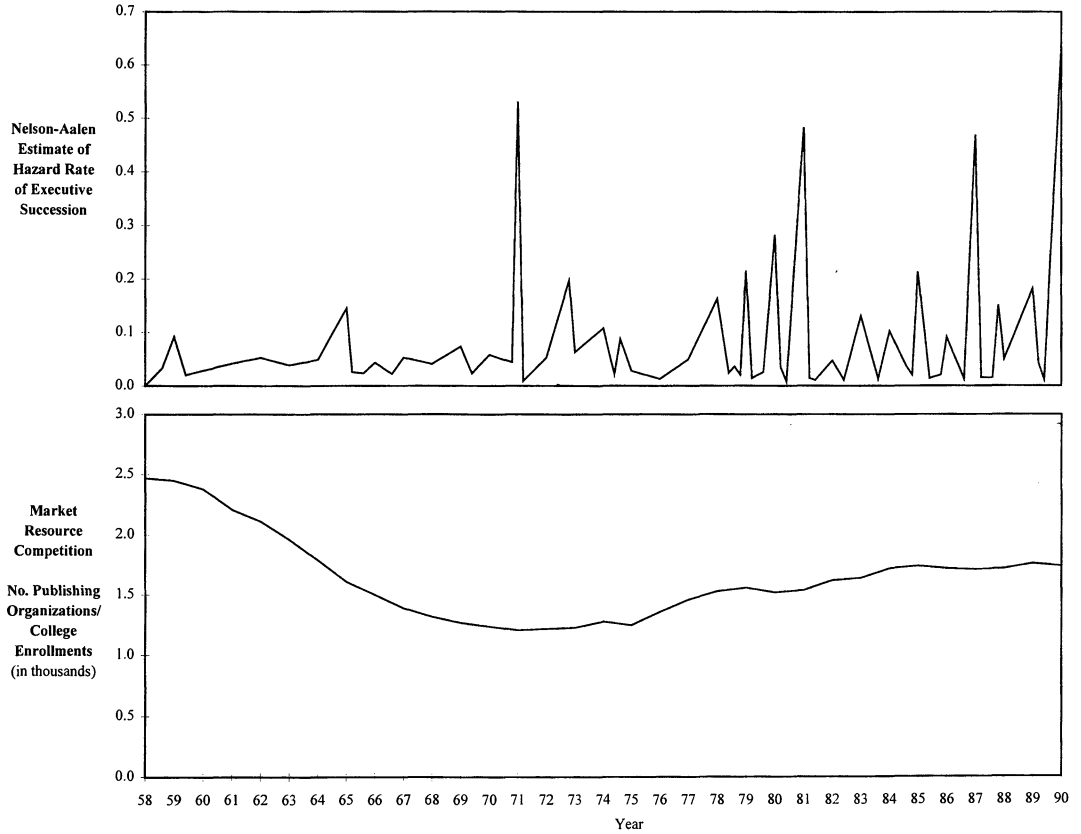

FIG. 2.—Industry time-series data for hazard rate of succession and market resource competition for higher education publishing, 1958–1990.

ent corporations superimposed on these publishers new performance expectations for yearly increases in profits and market share. This in turn refocused executives' logics of investment on market processes and on a new solution—the strategy of acquisition growth. For example, one publisher stated, "Instead of being able to manage your business for the value of future cash flow, you had to manage it for yearly profits transferred to the parent company. . . . Every year had to be better than the previous year. The only way to get bigger rapidly is to go outside and acquire others. Then you set up a new kind of industry competitiveness, which is: I want to buy this other company because if I don't our competitors will get it. So the attention shifts from publishing to what it is we can buy."

Executives told us that market position and reputation, which had previously taken years to establish under the editorial logic, could be obtained overnight with acquisitions. Similarly, the analysis by the communication scholar Greco (1989) reinforces this point. Moreover, for both public and private firms, attention to strategies of acquisition growth and the market for publishing companies created new determinants of executive succession by changing the sources of power and the rules for tenure in the position. As one executive said, "We were competing with rival divisions in other companies and had to overbid in order to say to our parent company that we won the property and that we were better. In hindsight, the later deals did not make good economic sense, so in order to make the acquisitions pay, we were going to have to plan on a lot of consolidation. This displaced a lot of people."

The institutionalization of the market logic was further evidenced with the founding of the *BP Report on the Business of Book Publishing* in 1977, a trade newsletter that targeted subscriptions to the executive suite (Abrahamson and Fombrun 1994). Rather than the typical *Publishers Weekly* (PW) features about new books, authors, and imprints, this newsletter focused on competitive position, ranking publishers by their control of market share, and providing information on acquisition practices as a means to increase market share. "Acquiring parent," "target company," and "deal price" were terms used for the first time in the publishing trade literature. One of the most basic indices of cultural centrality is the structure of language itself (Zucker 1983, p. 33; Hirsch 1986). This "linguistic framing" of market concepts increased their salience in the minds of publishing executives.

The institutionalization of the market logic was further propelled by the development of investment bankers specialized to publishing. Interviewees indicated that during the first acquisition wave in the late 1960s "deal makers" were neither former publishers nor tightly connected to the industry. Then, those deal makers came from Wall Street, and the acquiring firms were located in industries outside of publishing. However, in

the market period, as one CEO stated, "Investment bankers are now wired into the process." This practice has continued to formalize and to legitimate acquisition growth as a strategy to accomplish the mission of building the competitive position of the firm. Investment bankers now conduct training for publishers in how to "stay ahead of the game" by using acquisitions and consolidation as a business strategy (Fulcrum Information Services 1998, p. 2).

In contrasting the two industry-level logics in table 1, we note evidence of how editorial and market logics are identified with and shaped by societal-level logics of the professions and markets, respectively (Friedland and Alford 1991). The professions are organized bodies of experts who have authority and autonomy because they legitimate social missions (Freidson 1986) and because they have the ability to apply esoteric knowledge to particular cases (Abbott 1988, pp. 99–100). As indicated by our interviews and the industry literature, the traditional ideology of the industry was founded on viewing publishing as a profession.[5] The logic of the professions permeates the editorial logic, with editorial reputation and author-editor networks as key foci of attention in implementing the mission and strategy of the firm. However, a closer examination of the editorial logic also reveals the impact of another societal logic: the logic of the corporation. Both rank in the organizational hierarchy and the personal reputation of editors are key sources of legitimacy in the industry. The logic of the corporation is also revealed in the commitment of capital to the firm, rather than to the individual editors. Publishing houses under the editorial logic were perhaps best described as quasi-professional firms, where the ideology of the profession is intermixed with a formal hierarchy. Unlike pure professional practice firms—such as traditional law, public accounting, and architecture firms—publishing firms required no formal certification for gaining entrance to the profession, one reason publishing came to be labeled "the accidental profession" (Coser et al. 1982, p. 100). With the shift to a market logic, the professional orientation of the publishing industry declined and was replaced by the logic of Wall Street investment bankers and the increasing concern with profitability and market orientation common to other U.S. industries (Davis and Stout 1992; Useem 1996).

[5] The printer's mark, the origin of a publisher's imprint, symbolizes publishing as a profession (e.g., in the early history of publishing, the Tree of Knowledge of the Estiennes, and in the 1960s and 1970s, the motto Education for Truth of Wadsworth). The functional backgrounds of the founders of higher education publishers also evidence the connection to a profession. To name a few, George Bacon of Allyn and Bacon was a high school principal, Richard Prentice Ettinger of Prentice Hall was a college professor, and John Wiley was active in supporting church missionary efforts (Tebbel 1972, p. 269; Wiley 1999).

HYPOTHESES

The two institutional logics—editorial and market—make salient different potential sources of power and provide different rationales for whether and when to use executive succession as a solution to the issues confronted by organizations. Based on our interviews and theory, we expect these differences to translate into different effects for the independent variables in the two periods.

Positional and Relational Determinants of Succession

Research indicates that the position of founder is associated with lower rates of executive succession (McEachern 1975; Ocasio 1994). McEachern (1975) argues that founders have lower rates of succession because they have greater economic and political power relative to other executives. Carroll (1984) notes that founders have persistence in their positions because they have personal characteristics that distinguish them from nonfounders—they are more likely to be owners, to have higher commitment to the organization, and to possess special expertise and knowledge. Ocasio (1999) found that founders have lower rates of succession because founder-led firms have not experienced succession and therefore lack organizational-level rules and routines that guide executive succession. Because of the lack of rules, succession is less likely to be an available solution to the problems of the organization.

According to our theory, both the legitimacy of potential sources of executive power and the salience of the rules of succession are likely to be modified by the prevailing institutional logics. First, the attributes of the ideal types in table 1 indicate that the personal and positional sources of power have greater legitimacy during the period of an editorial logic than during the period of a market logic. This implies that the effects of founders, which embody the attributes of personal and positional power, will be greater under an editorial logic. Second, the appropriateness of succession as a control mechanism for firms' actions and outcomes is likely to be greater in period 2 because attention to firm performance is more salient under a market logic. Extending this argument to the effects of founders, when a market logic prevails, firms without organization-level experience with succession are likely to rely on industry-level rules for succession as an organizational solution. The combination of these two factors leads to the expectation that the (negative) effect of founder on the rate of executive succession will be greater in the historical period when an editorial logic prevails.

Early research focused on the effect of bureaucratization, measured by organization size, on the frequency of executive succession (Grusky 1961). Grusky (1963) argued that bureaucratization increases the existence of

rules and routinization and therefore the likelihood of succession of executives. Comparing the largest 26 and the smallest 27 Fortune 500 companies, he found a positive relationship between organization size and executive succession. Reexamination of early studies reveals that findings are mixed and that there is not a simple and direct relationship between organization size and succession (Gordon and Becker 1964). In subsequent studies, Salancik and Pfeffer (1980), Allen and Panian (1982), and Harrison, Torres, and Kukalis (1988) found a significant positive relationship; Puffer and Weintrop (1991), Boeker (1992), and Ocasio (1994) found no effect of organization size on succession. Pfeffer and Salancik (1978) point out one reason for the mixed findings on organization size and succession is that size may be confounded with the relational and political dynamics of an organization. They argue that the larger the organization, the greater the number of departments and the greater the subunit basis of power, and therefore the greater the potential for contests for control.

According to our theory, the effects of organization size on succession may be conditional on whether the prevailing institutional logics focus executives' attention on the subunit basis of power associated with increased organizational size. A parallel measure of organization size and differentiation to the number of departments in an industrial firm is the number of imprints in a publishing firm; this measure is also an indicator of editorial control and editors' relational dynamics with authors. Publishing imprints represent a list of books that have identity and cohesiveness determined by an editor's professional expertise and author networks. According to the attributes of the ideal types in table 1, under an editorial logic, the focus of attention is on author-editor relationships. In such a climate, executives focused on the strategy of organic growth—ensuring the development of both new titles and a backlist of titles of personal imprints. Under a market logic, other subunits of the firm not controlled by editors—such as sales, marketing, and finance, which empower alternative strategies of growth, such as acquisitions and building market channels—should gain in importance. Therefore, the importance of imprints is likely to decline under a market logic where editor-author networks, inherently associated with the development of imprints, become less salient. Consequently, the (positive) effects of the number of imprints on the rate of executive succession will be greater in the historical period when an editorial logic prevails.

Structural position in the organizational hierarchy, derived from formal authority, is an important but relatively unexplored determinant of executive succession. This effect remains understudied because most empirical analyses of succession focus on executives at the same level of the organizational hierarchy, typically the CEO of independent firms. An exception is Boeker's (1992) study of semiconductor firms, which found that chief

executive officers were less apt to experience succession than lower ranked executives, who were more likely to be used as "scapegoats" when the performance of the firm was poor. In our study, we compare the succession rates of CEOs of division and subsidiary publishing firms with CEOs of independent publishers. According to table 1, we expect the effects of rank in the hierarchy to be moderated by the prevailing institutional logic. In particular, our interviews and historical analysis suggest that the legitimacy of rank and position in the organizational hierarchy as a determinant of executive power is likely to be greater in the period of an editorial logic than under a market logic. Given that divisional executives are of lower rank and status than executives of independent firms, we expect the (positive) effects of divisional executives on the rate of succession will be greater in the historical period when an editorial logic prevails.

Economic Determinants of Succession

According to our theory, with a change in the prevailing institutional logic from an editorial to a market focus, the determinants of executive succession are expected to shift from those based on positional and relational power to those based on economic power. We examine the effects of public versus private ownership as a determinant of succession. Research indicates that different forms of ownership imply different mechanisms for institutionalizing power in a firm (Pfeffer and Salancik 1978). McEachern (1975) found that owner-managed firms, and Allen and Panian (1982) found that family-owned firms, have increased executive tenure. However, Boeker (1992) found that public versus private ownership had no effect on executive succession. Given the increased salience of economic forces under the market logic and the shift from private to public ownership, as theorized in table 1, we expect the (positive) effects of public ownership on the rate of executive succession will be greater in the historical period when a market logic prevails.

Research indicates that changes in corporate control through acquisitions are likely to be followed by above-normal levels of executive succession in target firms (Walsh 1998). According to our theory and historical analysis of the development of the market for corporate control (Lazonick 1992), the effects of the market for corporate control should vary historically with a shift in the prevailing institutional logics. Moreover, our interviews and historical analysis of the industry indicate that the practice of acquiring firms to replace executives of target firms was more commonly accepted in the period when a market logic was dominant. Therefore, we expect the (positive) effects of acquisition on the rate of executive succession will be greater in the historical period when a market logic prevails.

Last, we examine the effects of product market competition on succes-

sion. Given data limitations in our sample, we cannot directly measure firm-level performance for most firms. We will evaluate instead how resource competition affects executive succession. Previous research on succession has not investigated the effects of competition on succession within a population of firms. According to our theory, the focus of executive attention shifted from author-editor networks to resource competition in the product market. Thus, performance in the product market is likely to gain salience in determining executive power in the period when a market logic prevails. Because of this, higher education publishing firms under a market logic will more likely view succession as a legitimate and appropriate remedy to issues of resource competition in the product market. Consequently, we expect that the (positive) effects of resource competition on the rate of executive succession will be greater in the historical period when a market logic prevailed.

QUANTITATIVE DATA AND METHODS

The quantitative data set was constructed from archival data and from the results of a telephone survey on commercial higher education publishing firms. We drew upon the collections of the R. R. Bowker and the American Booksellers Association (ABA) libraries, which archive the most comprehensive sources of information on the publishing industry. We used as primary data sources four well-known publications: *Literary Market Place* (*LMP*), *Publishers Weekly* (*PW*), *Educational Marketeer* (*EM*), and *BP Report on the Business of Book Publishing* (*BP*).

Industry and market definition.—The book publishing industry consists of organizations that publish several types of books, such as trade, children's, school text, college text, scholarly, and professional reference books. At any given point in time, the higher education market is defined as those publishers that report in the *LMP* that they sell books in the college and university market.

Some publishers that sell books in the college and university market also publish books for other markets. During the observation period, some organizations in the sample moved into and out of different publishing product markets. On average, over the observation period, approximately 33% of the publishing firms in the sample published only one type of book, 40% published two types, 18% three types, and 9% four types of books. On average, approximately 8% of the firms in the sample publish only college texts, and 4% publish only scholarly books. Diversification also occurs within lists. As one editor who publishes for the college market stated, "We publish all manner of excellent books, including advanced texts, reference books and monographs" (Dougherty 1998). In 1976, books classified as general and mass market made up 34.8% of the higher educa-

tion market (Compaine 1978, p. 171). To test whether type of publisher and degree of market diversification might possibly affect our findings, we computed a 0/1 dummy variable, which was set equal to "1" if a firm in the sample published books for more than one type of market. We also computed a 0/1 dummy variable set equal to "1" if a firm in the sample published only textbooks. These variables were not statistically significant in any of the models, nor did they change any of the effects of the control and theoretical variables.

Organization definition.—The publishing organization is defined as either an independent firm or a division or subsidiary of a larger parent firm. For example, Wadsworth is a division of the Thomson Corporation, but it is counted as a separate case because it has a separate listing in the *LMP,* a separate organizational structure, a division president, and a different geographical location, distinguishable from the parent firm.

Population and sample definition.—The sample was randomly drawn from the population of all commercial publishing organizations listed in the *LMP* in any given year from 1958 to 1990 that reported publishing for the college and university market, a total of 766.[6] One-third of this population (230 publishing organizations) was selected as a sample, using the SPSS-X random-sample generator. First published in 1940 by a commercial publisher, the *LMP* remains the directory used industry wide by publishers, suppliers, distributors, writers, literary agents, bookstores, and librarians to identify whom to contact in conducting business in the publishing industry. Because the *LMP* lists the names, positions, and phone numbers of key personnel, the data in the *LMP* are kept current by the annual distribution of questionnaires to all organizations that publish a minimum of three titles a year.

The sample selection method used here differs from population-level studies of organizational founding and mortality that use the homogeneity of organizational form to define the population boundary (Hannan and Carroll 1992). Because organizational form is an independent variable and because institutional logics coalesce under conditions of status competition and social comparison among players in a product market (White 1981, 1992), we defined the population boundary according to a product market in which a variety of organizational forms cooperate and compete.

Organizations are in the sample from the date (year) that they first ap-

[6] Because the data prior to 1958 are excluded from the analysis, the observations are subject to left-truncation for firms in the sample founded prior to 1958. According to Tuma and Hannan (1984), this is not a serious problem because the piecewise exponential models used here lead to consistent estimates when both the age clock for each firm and the tenure clock for each executive are not restarted in 1958. The clocks instead begin with the firm founding date and executive first year of tenure.

pear in the *LMP* until the date that they are delisted because they no longer report information on the company and its employees. To ensure that our coding of delisted firms was accurate and not an artifact of a firm's missing one or two years' listings in the *LMP,* firms were traced through 1995, five years beyond the end of the observation period. One reason delisting occurs is because of business failure. With the exception of delisting because of acquisition, we treat delisting as a right censoring event, not as a succession event. We obtained information on acquired organizations because we theorize about how acquisition affects succession. Executive succession in the year subsequent to acquisition is coded as a succession event, whether or not the acquired firm was integrated into the parent firm or remained as a separate organization.

Dependent Variable

The dependent variable is the hazard rate of executive succession. We identified the executive as the top person listed in the *LMP* with line responsibility for the organization. To determine when executives were succeeded, executive names were compared across consecutive years for each organization for each year that the organization was listed in the *LMP.* Succession events are coded by year. Organizations can have multiple executives over the observation period.

We do not distinguish between "voluntary" or "forced" successions. Instead, following Puffer and Weintrop (1991) and Ocasio (1994), we control for retirement effects both by controlling for retirement age and by estimating models for a subsample that includes only executives 63 years old or less. The distinction between "voluntary" and "forced" successions is difficult to discriminate, given that executive turnover, even when not explicitly forced, typically entails a "push" factor associated with the loss of executive power. Political pressures on CEOs that result in executive succession need not imply a forced dismissal. CEOs may choose to depart and seek employment in other organizations when they have lost control over the firm's political coalition. Furthermore, research indicates that the information available for distinguishing between these categories is not reliable, even for publicly held firms (Beatty and Zajac 1987) and is almost nonexistent for privately held firms, which constitute approximately three-fourths of our sample. Moreover, our interviews with publishing executives indicated that the information that organizations release to employees and the business press is euphemized for a number of reasons. It is important to both executives and the board of directors to protect the firm from disruption, to maintain the market power of executives so that they may find alternative positions, to prevent lawsuits, and to ensure the payout of executives' financial incentive plans.

Independent Variables

The variable *D* founder is a 0/1 dummy variable set equal to "1" in every year that the executive in office also was the founder of the organization. A chief executive listed in the *LMP* at the date of the company founding was assumed to be the founder. We used a telephone survey to ascertain the name of the founder when the chief executive name did not correspond.

We computed the variable ln *N* imprints, the natural logarithm of the number of publishing imprints per firm as listed in the *LMP,* as a measure of organization size and differentiation. We used the logarithmic transformation because the distribution of the number of imprints is skewed. An example of an imprint in higher education publishing would be an advanced mathematics series or a list of books on the sociology of culture. Other measures of organization size, such as the number of titles and the number of employees, are not reliable measures in the publishing industry (Coser et al. 1982, pp. 38–41). We also considered the use of firm assets as a measure of size. However, because the sampling procedure used here required temporal variation in forms of ownership (public and private) and organizational structure (independent and divisional or subsidiary), it was not possible to obtain financial data for all organizations in the sample for the entire observation period.[7] For similar reasons, we were unable to examine the effects of corporate profitability or those of the structure of the boards of directors.[8]

The variable *D* division/subsidiary is a 0/1 dummy variable set equal to "1" in every year that the organization was listed in the *LMP* as a division or subsidiary of a larger parent firm. The division/subsidiary variable was reset to "0" or to "1" if there was a state change in this variable in any given year.

We computed the variable *D* public/private ownership a 0/1 dummy variable set equal to "1" in every year that the subject organization is

[7] We considered collecting financial data on a subsample of publicly traded organizations to observe whether the same theoretical relationships found in the full sample would hold for publicly traded organizations. To explore this possibility, we analyzed the ownership characteristics of our sample. In 1958, 88% of the organizations in the risk set were independent; in 1975, 66%; and in 1990, 48%. In cross-tabulating independence (not being a division or subsidiary of a parent firm) and public and private ownership, we found that in 1958 only 3% of the organizations were both independent and public; in 1975, 4%; and in 1990, 2%. Given the small numbers of independent, publicly held firms, there are insufficient observations to analyze the subsample.

[8] Although most contemporary studies of executive succession address these two factors, in our sample, these data could not be obtained for privately held firms nor for firms that were divisions of publicly held corporations.

publicly traded. Data on ownership were obtained from the Standard and Poors and Moody's Manual industry directories, *Ward's Business Directory of Major U.S. Private Companies,* and *Ward's Business Directory of U.S. Private and Public Companies.*

We computed the variable *D* acquired a 0/1 dummy variable set equal to "1" if the subject organization was acquired. Acquired organizations were coded "1" only in the month and year of acquisition and "0" for every subsequent year in which acquisition did not occur. The acquisition variable was coded from all transactions listed in the *LMP* section on mergers and acquisitions. The *LMP* section on mergers and acquisitions also references the industry- and business-press articles that describe the transactions in detail. All these cited articles were read to verify the identity of the acquired and acquiring firms. In the case of succession due to acquisition, our interviews with industry principals indicate that there is generally a 3- to 6-month period where executives of acquired firms are given incentives to remain in their position in order to smooth the transition to the new owners.

To measure the effect of resource competition, we computed the ratio *N* organizations/enrollment. This variable is a ratio measure composed of an annual count of potential competitors (all publishing organizations) and available resources (the number of college and university enrollments). College and university student enrollment data were obtained from the *Digest of Education Statistics,* published by the National Center for Education Statistics (1993). The resource competition variable is consistent with the ecological research that compares measures of population density to resource availability (Barron, West, and Hannan 1994).

Control Variables

To control for executive retirement effects, we computed the variable executive age post-63. Executive age was coded in actual years and is transformed as the number of years over age 63. We conducted a telephone survey to obtain the ages of executives. Two organizations in the sample refused to provide information about the ages of their chief executives. During the observation period, 84 of the organizations in the sample were disbanded. We obtained age information for executives of disbanded organizations in one of two ways. If these individuals continued to be employed in the industry, we contacted them at the organizations in which they were subsequently employed. For retired or deceased individuals, five key leaders with long histories in the industry helped us identify missing age data. Using these methods, we were able to obtain the ages of over 60% of the chief executives of firms in the sample. We estimated

values for missing age data based on the mean value of actual age data. We computed a 0/1 flag variable *D* estimated age set equal to "1" for age values that were estimated.

To control for the effects of tenure, executive tenure, we computed a cumulative count of the number of years an executive is in office (Ocasio 1994). Each executive begins with a value of "1," which is incremented by "1" for each additional year the executive remains in office.

We also controlled for succession effects due to organizational age by calculating the variable organization age from the organizations' founding dates as listed in the *LMP*. We used student enrollment data to control for demand fluctuations in the higher education market by computing a variable for percentage change in college enrollments, the percentage of change in student enrollments from the year $t - 1$ to the year t divided by enrollments in the year $t - 1$.

Organizational form can be a central mechanism to embody and propel institutional logics (Haveman and Rao 1997). Fligstein's (1987) work showed that CEOs with marketing and finance backgrounds were favored in their rise to the top of multidivisional form organizations, M-form, but not in unitary form organizations, U-form. The argument is that power struggles and the sources of change in power are located in organizational structure because it locates resources available to actors: information and authority (Fligstein 1987, p. 46). To control for changes in the prevalence of organizational strategy and form, we compute two variables: the proportion of acquisition activity and the proportion of organizations that are divisions and subsidiaries of parent firms in the product market. The proportion of acquisition activity is the yearly hazard rate of acquisition of firms. The proportion of divisions and subsidiaries is the percentage of these types of organizations in the sample in any given year.

Selection of Time Periods

Our interviews and literature reviews suggest that the transition between the editorial logic and the market logic occurred during the 1970s (Tebbel 1981; Shatzkin 1982; Coser et al. 1982; Powell 1985). Both of the Powell books captured this transition because the sample was drawn from the 1975 *LMP,* and the interview and survey data were collected from 1976 to 1978. To select the exact time periods for the hazard rate models, we rely on graph analysis of time series data of indicators associated with the changes in institutional logics. Furthermore, we undertake a sensitivity analysis to determine whether our results are sensitive to the specific cutoff period. Based on comparisons of these interview and literature review accounts, the graphical analyses, and the model specifications, we divided

observations for empirical analysis into two historical periods, 1958–75 and 1976–90, which correspond with the two ideal types of institutional logics shown in table 1.

Figure 1 shows graphs of two indicator variables: the Nelson-Aalen estimates of the hazard rate of acquisition and a market demand measure, the number of student enrollments in higher education for each year in the observation period. Figure 2 shows the hazard rate of the dependent variable, executive succession, and a measure of the covariate, resource competition, that is, the ratio of the number of publishing organizations divided by the number of student enrollments in higher education.

The measures of market demand, resource competition, and acquisition activity suggest 1975 as a cutoff point. Note in figure 1 that market demand, as measured by the number of student enrollments, begins to level off after 1975. Note in figure 2 that, prior to 1975, resource competition is decreasing, and after 1975, it begins to level and increase, signaling intensifying competition in the marketplace. With respect to the influences of acquisition activity, interviews and literature reviews established that there were two periods of acquisition activity, and the hazard plot in figure 1 supports these observations for our sample of firms (Thornton 1995). In the first wave, in the late 1960s and early 1970s, most acquired publishers were privately owned and were acquired by Fortune 500 firms, which were outside the industry and diversifying into higher growth markets (Powell 1980). In the second wave, in the 1980s and onward, acquirers were conglomerate publishers attempting to increase market share by horizontal integration under conditions of rising resource competition (Greco 1997). The hazard graph of acquisition in figure 1 identifies the main acquiring firms in the two time periods. The time series data on market demand and resource competition appear to be consistent with the characteristics of acquisition activity in the two time periods.

Last, we performed a sensitivity analysis to empirically examine the selection of the two time period cut points. Using an exponential model including all covariates, we estimated 22 time periods set at half-year intervals for three years before 1975 and eight years after 1975. While 1975 is the best fit, the statistically significant differences between the two time periods remain if we select the cut point at any time between 1972 and 1983.[9] This indicates a transition period during which cut points are not

[9] The sensitivity analysis suggests that logics may have changed incrementally between 1972 and 1983. Incremental institutional change is likely if change involves the process of hybridization, where organizations eventually replace some features of their current logics with one or more other logics (Zucker 1983; Haveman and Rao, in press). However, the objective of our analysis is not to determine whether the transformation was discontinuous or incremental but to test whether a transformation in logics of control affected the determinants of succession. Note also that an alternative model-

very sensitive. Effects change only if we select cut points before 1972 or after 1983. This is quantitative support for two distinct periods of institutional logics, which manifest their most significant effects earlier and later in the observation period.

Selection of Models

We use event history analysis to examine the hazard rate of executive succession (Tuma and Hannan 1984). Our arguments about change in the effects of institutional logics require models that allow for effects to vary across time periods and levels of analysis—to vary with characteristics of individuals at risk of a succession event and with the characteristics of organizations and their environments. For this reason, piecewise exponential models are used, which allow the intercepts and the effects of covariates to vary in an unconstrained way across historical (calendar) time periods. The equation below summarizes the functional form of this model:

$$\log r_{j k_p}(t) = \beta'_{j k_p} x(t),$$

where the subscript p denotes a given historical period (e.g., 1958–75, 1976–90), and $x(t)$ refers to the set of explanatory and control variables used in the analysis. Models were estimated by the method of maximum likelihood (ML) using RATE (Tuma 1993).

RESULTS

Tables 2 and 3 present the mean values and the correlation coefficients for all variables in the models. Table 4 presents the ML estimates of piecewise exponential models on the rate of executive succession. To test for time variation in the "effects" of the variables, we compared two effects models: a time-invariant model (model A) and a time-varying model (model B). Model A has time-varying intercepts, which are listed under the historical period for which they apply, and time-invariant effects of covariates, which are listed under the column labeled "all years." The pattern of effects in the all-years model is analogous to an average effect for the 1958–90 period. For model B, time-varying parameter estimates are located under the historical period for which they apply. The coefficients give the effect of the covariate on the log of the rate of executive succession. A relative comparison of the scale of effects can be determined by taking

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ing strategy of excluding a transition period could not be implemented, because it significantly reduces the sample size and limits the power of the test.

TABLE 2

MEANS, PEARSON CORRELATIONS, AND *F*-TESTS FOR COVARIATES OF HIGHER EDUCATION PUBLISHING FIRMS

COVARIATE MEANS	TIME PERIOD		*F*-VALUE	*p*-LEVEL
	1958–75 Editorial	1976–90 Market		
1. Executive succession	.05	.06	1.59	.207
2. Executive age post-63	.35	.96	56.59	.000
3. *D* estimated age	.35	.34	.83	.361
4. Executive tenure	10.25	11.05	6.77	.009
5. Organization age	34.13	28.37	24.97	.000
6. % change in college enrollments	6.92	1.53	6,086.15	.000
7. Industry proportion division/subsidiary	.21	.29	2,366.47	.000
8. Industry acquistion activity	.02	.04	197.99	.000
9. *D* founder	.55	.54	.48	.487
10. ln *N* imprints	.15	.26	55.30	.000
11. *D* division/subsidiary	.28	.35	21.36	.000
12. *D* public/private ownership	.22	.27	9.40	.002
13. *D* acquired	.02	.03	1.05	.305
14. Resource competition	1.58	1.63	32.85	.000

NOTE.—*N* = number; *D* = dummy variable.

the antilogs of the coefficients to provide the multiplier of the base rate. Two-tailed tests are used to interpret significance levels for the models as a whole. One-tailed tests are used to compare whether individual parameter estimates are significantly different between the two time periods, because our hypotheses are unidirectional.

The nesting of model A within model B allows the use of a likelihood ratio χ^2 statistic to test the comparative fit of model A with model B. The likelihood ratio χ^2 test comparing model A against model B indicates that model B, with both time-varying intercepts and effects, significantly improves the fit of the model ($\chi^2 = 27.33$; $df = 13$; $P \leq .01$). Thus, we can reject the model of time-invariant effects on the rate of executive succession when all covariates are considered simultaneously.

On the whole, the results support our overall hypothesis that with a shift from an editorial to a market logic, the determinants of succession changed from a basis of positional and relational authority to a basis of authority derived from economic and market forces. A χ^2 contrast shows that the parameter estimates for the theoretical variables as an entire group cannot be constrained to be equal across the two time periods without significantly degrading the fit of the model ($\chi^2 = 17.27$; $df = 6$; $P \leq .01$).

TABLE 3

CORRELATION MATRIX FOR COVARIATES OF HIGHER EDUCATION PUBLISHING FIRMS

	1	2	3	4	5	6	7	8	9	10	11	12	13
2	.03*	...											
3	.00	−.12***											
4	−.02	.51***	−.12***										
5	.04*	.19***	−.18***	.14***									
6	−.02	−.08***	.00	−.02	.07***								
7	.05**	.15***	−.03*	.06***	−.05**	−.50***							
8	.05**	.09***	−.04**	.05**	.03	−.02	.43***						
9	−.11***	.09***	.10***	.36***	−.47***	.00	−.04**	−.06***					
10	.07***	.03	−.12***	−.06***	.09***	−.09***	.18***	.08***	−.20***				
11	.12***	−.06***	−.05**	−.13***	.16***	−.06***	−.12***	.05**	−.34***	.10***			
12	.14***	−.06***	−.14***	−.13***	.24***	−.03*	.00	.05***	−.37***	.23***	.50***		
13	.09***	.01	.02	.01	.02	−.01	−.01	.03*	−.05**	.02	.17***	.13***	...
14	−.02	.00	−.03	.01	.04**	−.06***	−.06***	.11***	−.06***	−.03	−.06***	−.06***	.01

NOTE.—Heading numbers correspond to covariates listed in table 2.

* $P \leq .05$, two-tailed tests.

** $P \leq .01$.

*** $P \leq .001$.

TABLE 4

MAXIMUM-LIKELIHOOD ESTIMATES OF PIECEWISE EXPONENTIAL MODELS OF THE RATE OF EXECUTIVE SUCCESSION

COVARIATES	ALL YEARS	TIME PERIOD	
		1958–75 Editorial	1976–90 Market
Intercept (model A)[a]		−3.036***	−3.435***
Intercept (model B)[b]		−3.402	−4.646***
Control variables:			
Executive age post-63	.068**	.144*	.075**
D estimated age	.226	.423+	.116
Executive tenure	.018*	.046***	−.000
Organization age	−.003+	−.005	−.003
Pct. chg. coll. enrollments	−.060*	−.030	−.084*
Industry proportion div./sub.	.013	−.002	−.014
Industry acquistion activity	4.087	5.596	4.403
Theoretical variables:[c]			
D founder	−.870***	−1.125***	−.650**
ln *N* imprints	.301**	.701**	.227+
D division/subsidiary	.364*	1.027***	.175
D public/private ownership	.671***	.422	.714***
D acquired	.534	−.855	.945**
Resource competition	−.012	−.083	1.334**

NOTE.—*N* of firms = 230; *N* of succession events = 237; *N* = number; *D* = dummy variable. Likelihood ratio χ^2 for model A = 172.57*** (*df* = 26); for model B = 145.24*** (*df* = 13); for difference between models = 27.33** (*df* = 13).

[a] Model A has time-varying intercepts and time-invariant effects of covariates. Time-varying intercepts are shown under the historical period for which they apply. Time-invariant effects of covariates are listed under "all years."

[b] Model B has time-varying intercepts and time-varying effects of covariates. Time-varying effects of covariates are shown under the period for which they apply.

[c] Model B theoretical variables cannot be constrained to be equal across historical periods without significantly degrading the fit of model B (χ^2 = 17.27; *df* 6; *P* = .01). Constraining the control variables equal across periods marginally degrades the fit of the model (χ^2 = 11.92; *df* 7; *P* = .10).

+ $P \leq .10$, two-tailed tests.
* $P \leq .05$.
** $P \leq .01$.
*** $P \leq .001$.

With respect to the positional and relational basis of power, first we find that the effect of founders lowers the rate of executive succession. While this effect is as hypothesized, greater under an editorial logic than under a market logic, note that the χ^2 contrast of the effect of founder between the periods is not strong, and we cannot reject the null hypothesis of no statistically significant difference ($\chi^2 = 1.55$; $df = 1$; $P \leq .11$).

Second, increased organization size, as measured by the number of publishing imprints per firm, significantly increases the rate of executive suc-

cession in the editorial period ($P \leq .01$). The effect of organization size also is marginally significant in the period of a market logic. This effect on the base rate of executive succession is more than one and one-half times higher in the period of an editorial logic than in the period of a market logic (.701 − .227 = .474) ($e^{.474} = 1.61$). We found support for our hypothesis of a difference in the effects of number of imprints between the two periods. A χ^2 contrast shows that the parameter estimates cannot be constrained to be equal across the two time periods without significantly degrading the fit of the model ($\chi^2 = 2.69$; $df = 1$; $P \leq .05$).

Third, we find support for our expectation about position in the hierarchy, that is, that executives in charge of a division or subsidiary of a parent firm are at a significantly higher risk of succession in the period of an editorial logic, but not in the period of a market logic. This variable is significant in the editorial period, at $P \leq .000$ and not significant in the market period. This effect on the base rate of succession is more than two times higher in the period of an editorial logic than in the period of a market logic (1.027 − .175 = .852) ($e^{.852} = 2.34$). Moreover, the parameter estimates for this positional effect cannot be constrained to be equal across the two time periods without significantly degrading the fit of the model ($\chi^2 = 6.03$; $df = 1$; at $P \leq .01$).

With respect to the economic bases of power, first we find that the effects of form of ownership, public versus private, are equivocal. The size and significance of the coefficients in the two periods is consistent with our expectations—not significant under the period of an editorial logic but positive and significant under the period of a market logic. However, note that the contrast in the effect of ownership between the periods is not strong, and we cannot reject the null hypothesis of no statistically significant difference ($\chi^2 = .68$; $df = 1$; $P \leq .20$).

Second, the effect of acquisition of the firm on the rate of executive succession is consistent with a market logic, emphasizing growth by acquisition. The parameter estimates are positive and significant for the period of a market logic but not for the period of an editorial logic. Consistent with our hypothesis, the two-parameter estimates for acquisition cannot be constrained to be equal across periods without significantly degrading the fit of the model ($\chi^2 = 4.02$; $df = 1$; $P \leq .02$). The effect of acquisition on the base rate of succession is strong, being six times higher in the period of a market logic than in the period of an editorial logic (.945 − (−) .855 = 1.800) ($e^{1.800} = 6.05$).

Third, the findings support our expectation that the fate of executives was tied to the issues of scarcer resources and higher competition in the product market during the period of a market logic. The parameter estimate for the effect of resource competition is positive and significant during the period of a market logic but not during the period of an editorial

logic. The effect of resource competition on the base rate of executive succession is four times higher in the period of a market logic than in the period of an editorial logic ($1.334 - (-) .083 = 1.417$) ($e^{.417} = 4.12$). Consistent with our hypothesis of there being a greater effect of resource competition under a market logic, the estimates for resource competition cannot be constrained to be equal across the two time periods without significantly degrading the fit of the model ($\chi^2 = 2.74$; $df = 1$; $P \leq .05$). This finding, while suggestive, is subject to potential bias given that firm-level performance data are unavailable for the study.

Control Variables

The estimate for executive age is positive and significant in both time periods, indicating that, independent of the effects of different institutional logics, executives due to retire because of age have a higher rate of succession. The estimate for the effect of executive tenure is positive and significant in the period of an editorial logic and negative and not significant in a period of market logic. A positive and significant tenure effect suggests that increasing tenure may lead to obsolescent strategies that in turn trigger adversity among political coalitions in the firm and executive succession (Ocasio 1994). This finding also may suggest one mechanism by which an editorial logic was displaced with a market logic over time.

The control variable for market demand, percentage change in student enrollments, is negative and significant in the all-years model, indicating that, on average, greater demand in the product market decreases succession. Note this effect is significant in the period of a market logic but not in the period of an editorial logic. This period difference provides some support for our arguments that during the period of a market logic, market forces influenced attention to the political processes of leadership succession. The parameter estimates for the proportion of firms that are divisions and subsidiaries of parent firms and the rate of acquisition activity in the industry are not significant in either the all-years or the piecewise models. While graph analyses of these variables show that their proportion is increasing over time in the sample, the results from our models suggest that the effects of a change in institutional logics on executive succession was not due to these industry-level changes in strategy and organizational form.

Subsample Analysis: Succession Prior to Retirement Age

To further examine if our results may be affected by forced versus voluntary succession, we control for voluntary retirement (Puffer and Weintrop 1991; Ocasio 1994) by estimating separate models for the effects of succes-

TABLE 5

MAXIMUM-LIKELIHOOD ESTIMATES OF PIECEWISE EXPONENTIAL MODELS OF THE RATE OF EXECUTIVE SUCCESSION FOR THE SUBSAMPLE, EXECUTIVES UNDER AGE 63

COVARIATES	ALL YEARS	TIME PERIOD	
		1958–75 Editorial	1976–90 Market
Intercept (model A)[a]		3.447***	−3.805***
Intercept (model B)[b]		2.146	4.761***
Control variables:			
D estimated age	.260+	.458+	.110
Executive tenure	.021+	.039*	.002
Organization age	−.004	−.004	−.003
% change in college enrollments	−.063*	−.042	−.083+
Industry proportion division/subsidiary	.023	.028	−.011
Industry acquistion activity	3.280	2.513	4.251
Theoretical variables:[c]			
D founder	−.947***	−1.063***	−.786**
ln *N* imprints	.202	.596*	.116
D division/subsidiary	.407*	.972**	.212
D public/private ownership	.570***	.506+	.536**
D acquired	.658+	−.602	1.093**
Resource competition	.065	−.471	1.228*

NOTE.—*N* of firms = 226; *N* of succession events = 199; *N* = number; *D* = dummy variable. Likelihood ratio χ^2 for model A = 139.01*** (*df* = 24); for model B = 120.65*** (*df* = 12); for difference between models = 18.36+ (*df* = 12).

[a] Model A has time-varying intercepts and time-invariant effects of covariates. Time-varying intercepts are listed under the historical period for which they apply. Time-invariant effects of covariates are listed under "all years."

[b] Model B has time-varying intercepts and time-varying effects of covariates. Time-varying effects of covariates are listed under the period for which they apply.

[c] Model B theoretical variables cannot be constrained to be equal across time periods without significantly degrading the fit of model B (χ^2 = 14.74; *df* 6; *P* = .02). Control variables can be constrained to be equal across periods (χ^2 = 4.48; *df* 6; *P* = .61).

+ $P \leq .10$, two-tailed tests.
* $P \leq .05$.
** $P \leq .01$.
*** $P \leq .001$.

sion of executives prior to retirement age (63 years or younger). Note that in our sample approximately 85% of the successions are for executives 63 years or younger. As shown in table 5, the results of this diagnostic test are consistent with our theory and show that our statistically significant effects of the theoretical variables on the rate of succession hold for executives prior to retirement age. A χ^2 contrast shows that the parameter estimates for the theoretical variables as an entire group cannot be constrained to be equal across the two time periods without significantly degrading the fit of the model (χ^2 = 14.74; *df* = 6; *P* = .02).

More specifically for this subsample, the positional and the relational bases of power, as measured by the number of organizational imprints and divisional versus independent executives, significantly increased the rate of succession in the period of an editorial logic but not in the period of a market logic. The economic bases of power as measured by acquisition of the firm and resource competition significantly increased the rate of executive succession in the period of a market logic but not in the period of an editorial logic. The χ^2 contrast of the effects of these variables between the two periods is strong, and we can reject the null hypothesis of no statistically significant differences. The effects of founder and public versus private ownership, while in the expected direction, are not strong enough to reject the null hypothesis of no statistically significant differences between the two periods.

DISCUSSION AND CONCLUSION

We extend prior research on executive succession by providing a new set of findings on the historical contingency of the determinants of executive power and succession. The interviews and historical research established that the prevailing institutional logic shifted in the 1970s from an editorial to a market focus. The event history models suggest that this historical change in logics led to different determinants of executive succession. The findings support our general argument—that when, whether, and how executives deploy their power to affect succession in organizations is conditional on the prevailing institutional logic in an industry.

In particular, the findings suggest how the salience of positional, relational, and economic determinants of power varies by historical time period. The quantitative analysis implies that changes in logics result not in an overall increase in the rate of leadership succession, but in countervailing determinants of succession in the two periods. With the transition from an editorial logic to a market logic, the effects on the rate of succession of organizational size and position in the hierarchy declined, while those of acquisition and resource competition increased.

The effects of organization size and rank and position in the hierarchy were significantly stronger in the period when an editorial logic prevailed, even though as indicated in tables 2 and 3, organization size and the proportion of multidivisional organizations were significantly lower in this period. In the market period, neither organization size nor the executive's position as division head or independent CEO were strong predictors of succession. Organization size was a strong predictor in the editorial period when executives focused their attention on strategies of organic (internal) growth. However, size loses significance when internal growth strategies waned in favor of an alternative strategy in the market period—growth

by acquisition. The effects of divisionalization are particularly revealing. Under an editorial logic, the power of independent CEOs relative to division heads led to higher rates of succession for the latter group. Under a market logic, rank and position in the hierarchy is less important, so that the difference in rates of succession between CEOs at the top of the hierarchy and for divisions is not statistically significant.

With respect to economic determinants, the effects for firm acquisition and resource competition were significantly stronger when a market logic became dominant, even though acquisitions and resource competition were noteworthy during both periods. Both our historical analysis and interviews shed light on how to interpret these findings. The publishing historian John Tebbel (1981, p. 724) noted, "it was true that publishers had been surviving since the beginning of the nineteenth century through mergers and acquisitions—but the changes were mostly shifts in partnerships and within the family, so to speak." Tebbel's historical observation suggests that in period 1, when "family governance" of acquisitions was commonplace, executives were not displaced during acquisition as they were in period 2, when the "market governance" of acquisitions became commonplace. Moreover, we went back to a few of the publishers that we interviewed to discuss these findings. They indicated that many of the acquisitions in the late 1960s were made by product-unrelated conglomerate firms outside the industry. These acquiring firms had neither the incentive nor the structural means to consolidate publishers into existing operations. Instead, the acquiring firms were dependent on extant publishing leaders to run their acquired properties as relatively autonomous divisions—allowing for the prevalence of an editorial logic even upon acquisition. In contrast, the second acquisition wave, in the late 1980s, took place among product-related publishing conglomerates in a period when a market logic had taken hold. This made executives susceptible to a market logic, where attention was focused on improving market position by strategies of acquisition and integrating operations—suggesting why acquisition led to succession.

Resource competition had no effect on succession during the editorial period, although the level of resource competition—the number of publishing organizations per thousands of college enrollment—was actually higher in the early 1960s than at any time during the period when the market logic prevailed. This finding may suggest that attention to economic forces depends on the prevalence of a market logic rather than on the level of competition experienced in the industry.

The findings support our overall hypothesis that the sources of power that affect executive succession are not universal constants but are historically contingent. However, for two of our original six hypotheses, the null hypothesis of historically invariant effects could not be rejected. These

null findings suggest that some of the determinants of executive power and succession may be less historically contingent than others. For example, we found lower rates of succession for founders in both periods. This might be explained in two ways. First, the staying power of founders may be due to their personal characteristics, such as having higher commitment and expertise, which may be more stable across time and situation than is true of organizational and environmental characteristics (Scott 1995, p. 137). Second, it may also be that founder-led firms, which lack experience with succession, do not rely on industry-level rules, but they instead rely on organization-level rules (Ocasio 1999).

A null finding was also uncovered for the differential effects of public and private ownership between the two periods. The strength of the main effect indicates that some sources of power are less historically contingent than others and reveals a limitation or scope condition of our theory. Note in table 4 the effect of public ownership is statistically significant in the market period but not in the editorial period. However, the contrast between the findings in tables 4 and 5 indicates that this apparent historical contingency may be due to a retirement effect, not to involuntary succession. The lack of historical contingency for ownership form suggests that any effects of the rise of a market logic affected both privately and publicly held firms, even though privately held firms are thought to be less susceptible to direct market pressures.

The results of both the interviews and quantitative analysis are consistent with the view that institutional logics are both material and symbolic (Friedland and Alford 1991). A shift from an editorial logic to a market logic in higher education publishing was marked by an increase in the size of publishing organizations, public ownership, and resource competition—all structural characteristics consistent with the increased importance of market forces in the industry. These structural changes in market conditions attracted new and powerful actors with different goals and tactics that comparatively de-emphasized intrinsic editorial accomplishment and elevated financial pursuit. However, after controlling for structural and economic forces at the industry level, the effects of our theoretical variables remain. This suggests that without an accompanying change in the understandings that comprise an institutional logic, economic and structural changes may not be sufficient to explain the determinants of executive succession.

Generally, we found that there is not a one-to-one correspondence between changes in structural and economic forces and changes in executive power and succession. The changing determinants of executive succession held independently of the control variables changes in student enrollments, the proportion of multidivisional firms, and the rate of acquisition activity in the industry. This evidence suggests that institutional logics

moderate the effects of economic and structural forces affecting succession. This implies that the effects of institutional logics cannot be reduced to purely social structural and economic forces (Barley and Kunda 1992; DiMaggio 1994). This evidence supports Tilly's (1997, p. 78) and Stinchcombe's (1987) arguments that history should be taken seriously in the study of social structures and that shared understandings and their objectifications constrain social interactions (Fligstein 1996).

Our interpretation of the findings is not meant to imply that logics and meanings are completely independent of changes in the social structure or in the economy. Institutional logics must articulate with prevailing structural conditions in an industry (Wuthnow 1989), providing a set of meanings, interpretations, and symbols that make sense of material reality (Barley and Kunda 1992). In our example, the rise of a market logic in higher education publishing—articulated with observed changes in public ownership, acquisition activity, and resource competition—allowed publishers to understand these changes and develop suitable responses. The editorial logic—with its emphasis on publishing as a profession rather than a business, its emphasis on author-editor networks, and its emphasis on personal reputation and rank in the hierarchy—could not readily explain or account for the changes in the marketplace nor the rise of acquisition activity after 1975.

The findings suggest that changes in institutional logics, while serving to articulate changes in economic and social structures, are not epiphenomenal but lead to changes in the determinants of executive power and succession. We propose the view that the relative autonomy of institutional logics operates through the way logics structure the attention of organizational decision makers. The findings suggest that institutional logics, once they become dominant, affect succession by structuring the attention of executives toward the set of issues that are consistent with the logic dominant within an industry, whether editorial or market, and away from issues that are not. While changes in key variables—such as organizational size, position in the hierarchy, acquisitions, and resource competition—may occur independently of institutional logics, whether these changes are attended to and whether or not they are consequential for decisions on executive power or succession is contingent on whether the prevailing logic makes these variables salient.

The higher education publishing industry provides evidence of the historical contingency of executive power. Future research should examine whether and how these effects change if firm-level performance measures are available. Other data limitations, particularly on firm size and CEO age may also affect the interpretation of our results. While the specific findings of this study may not be generalizable to other industries, the theory that we test on the historical contingency of power in organizations

provides a novel approach that is generalizable across different settings. Future research should investigate how power and succession are affected in other industrial settings that have experienced significant transformation. One example for future study is the health care sector, which has also experienced a transformation away from professional logics (Starr 1982) toward managerial and market logics (Ruef and Scott 1998). We also see parallel transformations with privately held firms in accounting, consulting, investment banking, and law—shifting from a professional logic to a market logic. In addition, the furniture and funeral home industries, originally craft based, were subjected to rationalization in the 1980s by the market for corporate control and therefore are interesting sites for comparative industry studies of the consequences of institutional change on power in organizations.

The rise of the market logic in higher education publishing and in other professional and craft industries parallels higher-order transformations in the United States (Useem 1996). Since the 1970s, managerial capitalism in the United States has been increasingly subject to pressures of the marketplace, the financial community, and the market for corporate control (Jensen 1993). The owners of capital have gained increasing control over corporate managers. While these macrolevel changes have been observed primarily in settings traditionally dominated by corporate logics, such as Fortune 500 industrial firms (Davis and Stout 1992), parallel changes are observed in higher education publishing, although there the transition developed from a professional logic to the dominance of a market logic.

The historical contingency of power in organizations and the decline of the professions relative to markets as mechanisms through which power is constituted has significant implications for the development of products such as books and health care that have cultural and political significance. More generally, the transition of institutional logics from professions to markets implies that a different set of values determines the production of products and the distribution of resources in organizations and in society.

APPENDIX

Interview Methodology

Publishers representing experience at both the editorial and executive levels in organizations of varying age, size, and structure were contacted by telephone and asked to suggest individuals they believed had broad experience and important reputations in the industry during the observation period. Publishers identified by their peers were invited to be interviewed. The chief executives in this sample often began their careers in entry-level sales and had worked in both sales and editorial positions for several publishing organizations.

A 23-question interview was administered to publishers from Boston, New York, and San Francisco. We asked publishers to describe how the higher education publishing industry changed from the 1960s to the end of the 1980s with respect to leadership, management strategy, market structure, products, and technology. Many of the questions were open-ended and required recollections of past events. Respondents were asked to put themselves in the frame of reference of the particular historical time and to try not to use the benefit of hindsight. Similarly, a 38-question interview was administered to three investment bankers who were identified by publishers as representing the key banking firms to the industry. In addition, two directors of well-known university presses were interviewed, one of whom was the president of the Association of American University Presses. Interview protocols were approved by the Human Research Subjects Committee at Stanford University. All respondents except one agreed to have their interviews tape recorded.

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