

Theories of institutions

Brian Nicholson

Introduction

- What is institutional theory?
- Concepts
- “Use cases” – applications of institutional theory in my work / the IS domain
- Student presentation of Dobson and Nicholson JAIS paper

Key concepts

- Institutions, organization field, the 3 pillars
- Institutional entrepreneurship; institutional work; institutional logics
- How can I use this theory? Some “in house” applications

What is institutional theory?

- Gregor's taxonomy - type 2 (analysis, explanation) or 4 (analysis and prediction)
- Closely related to structuration theory (arguably a stream was born out of it) but it is not a monolithic theoretical lens
- multiple streams of the theory across disciplines and at different levels of analysis

Institutions

- Scott (2001) defines institutions “*as multifaceted, durable social structures, made up of symbolic elements, social activities, and material resources*”
- *Institutions* as humanly devised rules in a society that shape human interactions- “rules of the game” (North 1990)
- While formal rules contain political rules, economic rules, and contracts, informal rules include taboos, customs and traditions (Jepperson 1991).
- Both formal and informal institutions help to give pattern to human behavior by enabling and constraining their activities.

Formal and informal institutions

- Formal institutions, for example
 - The constitution
 - Laws
 - Regulations
- Informal institutions or constraints
 - Work practices

7

What are the formal and informal institutions in these cases?

- Drinking & driving
- Marriage
- Football
- Religions / Church / Mosque



WHY

'Brilliant in its simplicity and power'
Steven Levitt

NATIONS

'Compelling and highly readable'
Niall Ferguson

FAIL

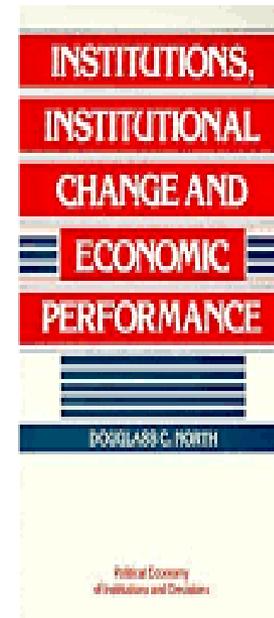
**THE ORIGINS
OF POWER,
PROSPERITY
AND POVERTY**

DARON ACEMOGLU & JAMES A. ROBINSON

Shortlisted for the FT and Goldman Sachs Business Book of the Year Award

system level of analysis
development – Douglass North,

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analysis

rd (1991: 232) identified several
Capitalist market, bureaucratic

state, democracy, nuclear family, and Christianity
that are each guided by a distinct institutional logic



Institutions and organizations

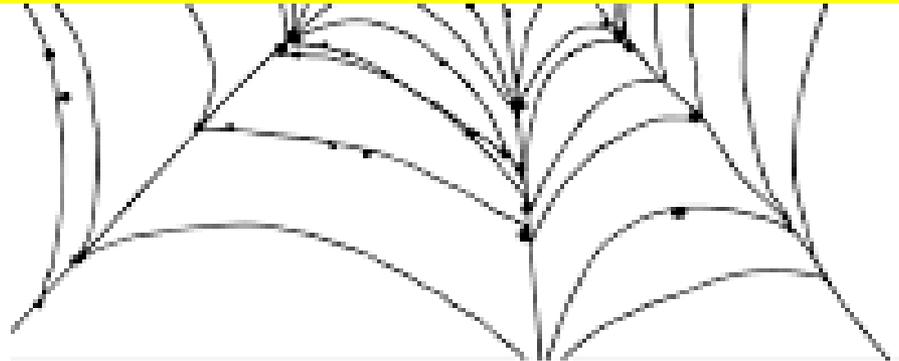
- If institutions are the rules of the game, organizations are the players who play the game according to the rules....(North)

Organizational field is defined as "sets of

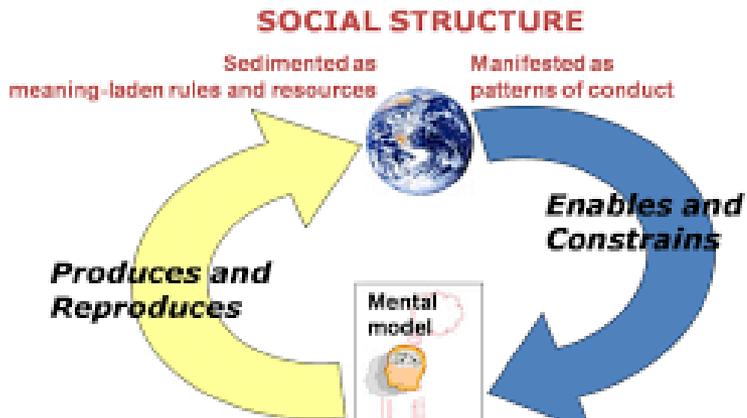
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In the institutional perspective, 'organizations are suspended in a web of values, norms, beliefs, and taken-for-granted assumptions' (Barley and Tolbert, 1997: 93) that guide and constrain their actions over time. These values, norms, beliefs and assumptions arise from the existence of institutions. An institution is a social structure that gives organizations or individuals lines of action or orientations, yet at the same time controls and constrains them

A g
inst
use
as "inhabiting" or being "nested"
or "suspended in a web" of
institutions



Organisations are nested in institutions but also contain institutions.



Institutions are transmitted by various types of carriers, including symbolic systems, relational systems, routines, and artifacts.

David C Lane LS



Individual level of analysis

Institutionalism

- *New institutional* theory, also known as *neo institutionalism*, differs from the 'old' one in that it focuses more on the cognitive aspects of institutions.
- Further, provides concepts to study change

Pillars of institutions

According to Scott

- Regulative: focuses on the ability of institutions to constrain and regularize behaviour
- normative : emphasizes on the normative rules that prescribe rights and privileges as well as responsibilities and duties
- cultural-cognitive: stresses the shared conceptions that constitute the nature of social reality and the frames through which meaning is made.

In groups of 3 - 4

- Choose a sport you know well (cricket, football)
- Use the 3 pillars to define what would be the focus & scope of a study of the sport in each institutional pillar
- What might be research questions in each pillar? Methods? (eg. Who would you interview? What would you ask in interviews? What would you observe?)

| | <i>Regulative</i> | <i>Normative</i> | <i>Cultural-Cognitive</i> |
|----------------------------|----------------------------|--------------------------------|--|
| <i>Basis of compliance</i> | Expedience | Social obligation | Taken-for-grantedness Shared understanding |
| <i>Basis of order</i> | Regulative rules | Binding expectations | Constitutive schema |
| <i>Mechanisms</i> | Coercive | Normative | Mimetic |
| <i>Logic</i> | Instrumentality | Appropriateness | Orthodoxy |
| <i>Indicators</i> | Rules Laws Sanctions | Certification Accreditation | Common beliefs Shared logics of action Isomorphism |
| <i>Affect</i> | Fear Guilt/Innocence | Shame/Honour | Confusion/Certainty |
| <i>Basis of legitimacy</i> | Legally sanctioned | Morally governed | Comprehensible Recognizable Culturally supported |

Example – cricket / football



How can Institutional
Theory help your
research?

Table 1. Institutionalization of IT Artifact Literature

| Perspective | Core idea | Representative studies in ICT4D |
|--------------------------------------|--|--|
| Institutional effect literature | Examines the effects of institutional pressures on the use of IT artifacts | Local political context impacts success of ICT4D projects (Diaz-Andrade & Urquhart, 2012). Local networks and belief systems impact the enrolment of IT artifacts in the context of health information systems (Saebo & Sahay, 2013). |
| Institutional interaction literature | Examines the interaction between IT artifacts and institutions | The interaction must include local accountability (Miscione, 2007). Successful enrolment requires positive interaction between micro and macro actors (Hayes & Westrup, 2012). Enrolment is emotive and not transactional (Chaudhuri, 2012) and requires one to consider the impact on other aspects of social life (Madon, 2014). |
| Institutional process literature | Examines the institutionalization process of IT artifacts | The institutionalization process requires intermediate steps in ICT4D contexts (Sahay et al., 2013). |

Institutional Logics

- Institutional logics describes the contradictory practices and beliefs inherent in the institutions of society. “The way the social world works”
- Provides link: human agency and how institutions work
- Each logic has a central logic that guides its organizing principles and provides social actors with vocabularies of motives and a sense of self. They both enable and constrain both the means and ends of human behavior.
- For example, in modern western societies three contending institutional orders:
 - Capitalism
 - State bureaucracy
 - Political democracy

How can Institutional
logics help your
research?



Analyzing conflict and its management within ICT4D partnerships: an institutional logics perspective

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ABSTRACT

Promotion and presence of partnerships have been growing within information and communication technology for development (ICT4D). Yet – despite limited analytical literature on this topic – it is clear that the reality of ICT4D partnerships often undershoots the potential, with frequent reports of failure, particularly arising from conflict between partners. This paper addresses calls for more and better-conceptualized research into ICT4D partnerships, with a specific focus on understanding the roots and management of conflict in such partnerships. We use qualitative field data from a Malaysian IT “impact sourcing” public–private partnership case study, viewed through the lens of institutional logics and conflict management strategies. Analysis of three vignettes from the negotiation of the initiative shows one partner always used a competitive approach to conflict management. This led issues to remain unresolved and led the partnership arrangement to steadily loosen. The outcome was always domination of private logic over public logic. As a result, and lacking an overt advocate, welfare goals of the partnership were somewhat sidelined. Our paper contributes by showing (a) how institutional logics helps explain the outcome of ICT4D partnerships and (b) how the conflict

KEYWORDS

ICT4D partnerships; public–private partnership; institutional logics; conflict management

Organization change

- Organizational change often occurs as the result of processes that make organizations more similar with out necessarily making them more efficient through a process called Isomorphism(DiMaggio and Powell 1991),
- The effects of institutional pressures is to increase the homogeneity of organizational structures in an institutional environment.
- Three types of pressure
 - Coercive
 - Mimetic
 - Normative

How Institutional
Theory can help your
research studying
change?

How Institutions Response to pressures?

Oliver (1991) Framework

- ▶ Strategic Response to institutional pressures
 - ▶ Acquiescence
 - ▶ Compromise
 - ▶ Avoidance
 - ▶ Defiance
 - ▶ Manipulations
- ▶ Oliver (1991) framework is popular in organisational studies to analyse organisations with coercive pressures to change.



Contents lists available at [ScienceDirect](#)

Technological Forecasting & Social Change



Understanding organisational responses to regulative pressures in information security management: The case of a Chinese hospital



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ABSTRACT

This paper advances existing theoretical understanding of the factors impacting upon organisational responses to regulative pressures in the process of information security management (ISM). Drawing on institutional theory, we conduct a case study of ISM in a Chinese hospital. A theoretical framework is presented, which proposes that organisational response strategies devised in response to regulative pressures are determined jointly by internal organisational incentives and external government supervision and enforcement. Practical implications for policymakers to promote organisational ISM are given and suggestions for future research based on the theoretical findings of the case study are provided.

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Deinstitutionalization

- *“the process by which the legitimacy of an established or institutionalized organizational practice erodes or discontinues. Specifically, deinstitutionalization refers to the delegitimation of an established organizational practice or procedure as a result of organizational challenges to or the failure of organizations to reproduce previously legitimated or taken-for-granted organizational actions”* (Oliver 1992)
- *is “a process by which institutions weaken and disappear”* (Scott, 2001)

Research Article

Interplay of Institutional Logics and Implications for Deinstitutionalization: Case Study of HMIS Implementation in Tajikistan

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Abstract

This article describes the efforts to reform the Health Management Information System (HMIS) of Tajikistan. The authors were involved in proposing and piloting a computerized HMIS based on a complete overhaul of the current data collection tools, as well as in planning for the scaling up of the system. One of the recommendations was to support local decision-making through a flexible, decentralized system to collect, process, and analyze essential primary healthcare data. The institutional logics underlying the current HMIS in Tajikistan were heavily influenced by the tenets of central planning from a deeply embedded Soviet system that was alien to the ideas proposed. This article explores the different institutional logics arising from what already existed and from our proposals, as well as the interplay among them over the course of the project. Clearly, a complete deinstitutionalization—amounting to a paradigm shift—is necessary to overcome the differences in institutional logics. However, this is a remarkable challenge, given a centralized control context. This study makes interesting contributions to the domain of IS/HMIS research in two ways: (a) by reporting from a country that until now has been almost invisible to the IS community, and (b) by adding to the debate around IS and organizational change through the lens of institutional logics and deinstitutionalization.



Research Article

Deinstitutionalization in the context of software exports policymaking in Costa Rica

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Abstract

This paper addresses deinstitutionalization from a longitudinal perspective. Drawing on the case of software exports policymaking in Costa Rica, it analyses deinstitutionalization, paying particular attention to formation of dissensus, understood as lack of unanimity on the value of an activity that is sufficient to destabilize institutional norms and activities. The role of cultural and political factors in deinstitutionalization or persistence is considered. Based on the empirical data, a framework for understanding political and cultural dynamics in deinstitutionalization is proposed.

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Published online 6 October 2009

Keywords: national software export policy; Costa Rica; deinstitutionalization

Introduction

This paper focuses on policy formulation and implementation for software exports in the context of a developing country. This domain of software exports is regarded by many national governments and also international agencies such as the World Bank as an important enabler of economic growth (Heeks, 1999;

deinstitutionalization, which is of particular relevance to policymaking as it focuses on the process by which the legitimacy of an institutionalized practice erodes or discontinues (Oliver, 1992). The focus is on understanding the interplay between existing institutional conditions of software exports and how these shape the introduction of

Institutional Entrepreneurship

(DiMaggio, 1998 ; Battilana, Leca, Boxenbaum : 2009)

- Who Change Institutions?
- The Paradox of Embedded Agency : Can an Individual really change an institution?
 - Yet many evidence : Gandhi, Martin Luther King, Elvis Presley, Sir David Tweedie,
- How to distinguish Institutional Entrepreneur and just key actors?

Institutional entrepreneurship

- *“the activities of actors who have interest in particular institutional arrangements and who leverage resources to create new institutions or to transform existing ones” (Hardy et al. 2004 pp. 657)”*.
- entrepreneurs are *“those actors whom the responsibility for new or changed institutions is attributed”* (Hardy and

Institutional Work

- ▶ Institutional Work (Lawrence and Suddaby, 2006; Lawrence, et.al 2009)
 - ▶ Institutional work represents an idea connecting, bridging and extending the work of institutional entrepreneurship, institutional change, innovation and deinstitutionalisation ([Lawrence et al., 2009](#))
 - ▶ Institutional work : “the purposive action of individuals and organisations aimed at creating, maintaining and disrupting institutions” . ([Lawrence and Suddaby 2006](#))
- ▶ Institutional Work used three categories: Creating Institutions, Disrupting Institution and Maintaining Institutions
- ▶ Focus on the work and actions of actors which change institutions.
- ▶ Some case studies of institutional work are focusing on “creating” institutions
- ▶ Usually are used at organisational level or field level of study

I like it ! - Where to next?

Consult work of some key ICT4D writers:

- ▶ Chrisanthi Avgerou
- ▶ Shirin Madon
- ▶ Geoff Walsham

- ▶ Read the classic texts from Richard Scott, / DiMaggio and Powell
- ▶ Search ICT4D journals

<http://itidjournal.org/itid/article/view/643>

Look at what is happening at the leading edge :

- ▶ Mainstream IS journals <https://aisnet.org/page/SeniorScholarBasket>
- ▶ Academy of management journal / review
- ▶ Organization studies / science

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