Reflections on developments in institutional theory: Toward a relational approach

Rick Delbridge[a,b], Tim Edwards[a,b,*]

[a]*Cardiff Business School, Cardiff University, Aberconway Building, Colum Drive, Cardiff, Wales CF10 3EU, UK*
[b]*The ESRC/EPSRC Advanced Institute of Management Research, UK*

Abstract

In this review article, we reflect upon recent developments in institutional theory with particular emphasis on first, how organizational fields have been conceived and second, on how action has been conceptualized and incorporated into institutional accounts. We show that progress has been made in regard to our understanding of field level processes and the role of institutional actors. However, we also identify a number of weaknesses and challenges, which we assess in the context of developing a relational approach to institutional analysis.
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Keywords: Institutional theory; Relational sociology; Organizational fields; Agency and institutionalization

1. Introduction

In this review article we concentrate our attention on developments in the largely North American literature on institutional processes that has derived from DiMaggio and Powell's (1983) article outlining institutional pressures in organizational fields.[1] The concept of an organizational field 'connotes the existence of a community of organizations that partakes of a common meaning system and whose participants interact more frequently and fatefully

*Corresponding author. Cardiff Business School, Cardiff University, Aberconway Building, Colum Drive, Cardiff, Wales CF10 3EU, UK. Tel.: +44 29 2087 6385.

E-mail address: edwardstj@Cardiff.ac.uk (T. Edwards).

[1]We recognise that this literature develops from earlier work by institutional theorists such as Selznick and that these issues have been picked up and developed by scholars working in related social science disciplines. Much of the interest for European scholars has been on how institutional forces operate at societal levels (e.g. Crouch, 2005). This provides the context for this review but lies outside our particular focus.

with one another than with actors outside of the field' (Scott, 1994, pp.207–8). In this formulation, institutional theory offers insights into the continuity and conformity of organizational practices through an appreciation of organizational field-level processes. Institutions are conceived as 'multifaceted, durable social structures, made up of symbolic elements, social activities and material resources' that enable or impose limitations on the scope for human agency by creating legal, moral and cultural boundaries (Scott, 2001, p. 49). The sanctioning power of rules and regulations, the stabilizing influence of dominant social beliefs and norms and the social construction of shared frameworks of meaning, offer the means to explain social conformity and field-level cohesion. Institutional studies infer that organizational behaviours grow to become routinized because such social norms, rules and meanings become largely taken-for-granted. Interest in routinization is not, however, based on developing a better sense of organizational efficiency (see Nelson & Winter, 1982), but indicates the way routines facilitate exchanges among members of an organization (Friedland & Alford, 1991; Zucker, 1988).

Given such tendencies much initial work assumed that institutions, once formed, would remain stable unless other interested actors mobilized to change them (DiMaggio, 1988). While these ideas and associated assumptions about the nature of social systems are themselves deeply embedded in the field of institutional analysis they have been the subject of increasing criticism. In particular, the assumption of continuity and stability has been critiqued, leading to a widespread interest in 'institutional entrepreneurship' (Beckert, 1999; Dorado, 2005; Greenwood & Suddaby, 2006; Seo & Creed, 2002). In this review article, we reflect upon recent developments in institutional theory with particular emphasis on first, how organizational fields have been conceived and second, on how action has been conceptualized and incorporated into institutional accounts. In this regard we argue that a more holistic approach to field level processes and a re-engagement with the role of agency and interest during field reproduction has precipitated a re-appraisal of institutional processes (see Hirsch & Lounsbury, 1997; Lawrence & Suddaby, 2006). However, we also argue that despite the considerable progress that has been made in regard to our understanding of both field level processes and the role of institutional actors there remain several weaknesses and challenges.

Early work on organizational fields reflected an assumption that fields may be treated as 'entities' or systems in a way that has led to a preponderance of overly structural and contingent accounts. In addition, the literature has tended to concentrate attention on one aspect of field level development and change to the detriment of a more holistic understanding of the inter-relationships between key dimensions. These weaknesses have only partially been addressed by a largely separate line of theorizing around institutional entrepreneurship that has sought to address perceived failings in the treatment of actors and agency in earlier studies. This has concentrated on actors as change agents and has placed undue emphasis on processes of institutional change (see DiMaggio, 1991) resulting in an enduring failure to engage meaningfully with the significance of action in *maintaining* institutional conditions.

Much of the work on institutional change has been based on process models that tend to reinforce an appearance of institutional change as mechanistic and contingent (for a review of the literature see Van de Ven & Hargrave, 2004). This work also relied upon a punctuated equilibrium model of change (Abernathy & Clark, 1985; Tushman & Anderson, 1988; Tushman & Romanelli, 1985). This has closed down the space for a thoroughgoing treatment of agency in relation to both change and continuity. Conversely,

work at the micro level has struggled to locate and embed agency in the wider institutional and organizational contexts (see Mutch, Delbridge, & Ventrescu, 2006).

It is within this context that recent developments in institutional research have moved towards incorporating a dynamic representation of the constitution and maintenance of institutions that reveals growing interest in the role of agency during social reproduction. As Lawrence and Suddaby (2006, p. 216) argue in their conceptualization of 'institutional work', '[a]long with understanding the processes through which institutions affect organizational action, research has become increasingly concerned with the effects of individual and organizational action on institutions'. This work remains at a relatively early stage of development. The key challenge is in finding ways to theorize and incorporate understanding of action and, in turn, its complex inter-relationship with both specific institutions and wider social structures.

This review article proceeds by first assessing the treatment of organizational fields. This has been strongly influenced by structural contingency arguments which have been limited in the extent to which they engage with the inter-relational aspects of field level dynamics. Interest in the relational characteristics of field-level processes leads to a consideration of how agency has been treated in institutional studies. We reflect on how an emphasis on entrepreneurship has shaped the development of the literature giving primacy to change and underestimating the action associated with conformity (Zucker, 1988). In the final section of this review article we outline the potential value of a relational approach that draws on the work of Mustafa Emirbayer who has championed "relational sociology" to better understand social actors, their actions and inherent embeddedness in their social contexts. Concern with how institutions at varying levels of social aggregation are both maintained and changed requires evaluative schema that allow the assessment of micro level interactions and how these are informed and shaped by the social ties, discourses, symbols and material resources of the specific institutional domain. Drawing on Emirbayer's work on relational sociology and his refinement and development of agency (Emirbayer, 1997; Emirbayer & Mische, 1998), we suggest such a framework. Recent work in institutional theory has begun to recognize the value of these ideas but their application remains under-developed.

2. The structural contingency of organizational fields

When considering the literature on organizational fields it is necessary to reflect on the way 'fields' have been used to inform our understanding of institutional continuity and change (Greenwood & Hinings, 1996). The category of 'field' denotes those various conditions under which the environment shapes the organization (Zucker, 1988). Fields represent differentiated, interdependent networks of organizations and institutions that together reveal a recognized area of life (DiMaggio & Powell, 1983).

The dominant approach has been to treat fields as systems that have objective features and contingent effects. Underpinning this work is the idea that fields consist of key structural variables: recognizable boundaries, institutional logics, governance structures and structuration processes[2] (Scott, 2001). According to Reay and Hinings (2005), the

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[2]The use of the term 'structuration' in this area of institutional analysis owes more to Bourdieu (1977) than Giddens (1979) and refers to the degree of interaction and the inter-organizational structures within an organizational field (see Mutch et al., 2006; Scott, 2001).

growing body of work assessing institutional change at the field-level tends to focus on single features while marginalizing others in their analyses. The concept of 'boundaries' limits the field to a recognized set of organizations engaged in a similar function or in related endeavours that together shape field activity and definitions. Assessments at the field-level have generally embraced what Scott (2001: 137) describes as a 'top down' approach 'emphasizing the role of global institutions, nation-states, or professional groups' in delineating relevant field boundaries.

Increasingly microprocess approaches have emerged to consider the boundary-setting processes within a field; these reveal how the structure of a field influences the cognitions of individuals but is also shaped by them (see Abrahamson & Fombrun, 1994; Porac & Thomas, 1990). Assessments of field-level change have included studies that have charted the rise of existing actors or the entry of new players (Thornton, 1995), and/or local entrepreneurship (DiMaggio, 1988). For example, as Leblebici, Salancik, Copay, and King (1991) show in their study of the US broadcasting industry, the gradual introduction of new conventions by fringe players in the field had the effect of both changing the dominant institutional practices and propelling these players into more prominent positions within the field. In this case, field-level change is associated with structural change when the emergence of new dominant players recasts field definitions (DiMaggio & Powell, 1983).

The concept of *institutional logic* has been particularly powerful in helping researchers identify and explain both institutional continuity and change. For Friedland and Alford (1991, p. 248), logics provide specific categories, beliefs and motives—organizing principles—that inform members of how to conduct themselves in the field. Logics vary according to their content, penetration, linkage, and exclusiveness (Scott, 1994, 2001). For *content*, recent work has alluded to the way logics can become contested as actors interpret beliefs from different perspectives. Hence, Zilber's (2002) study of a Rape Crisis Centre is informative in illustrating the way the meanings attributed to structures and practices became politicized and disputed. She argues that to understand institutionalization it is necessary to assess actions in conjunction with the 'meaning' attributed to these acts. *Penetration* refers to the degree such logics permeate fields. DiMaggio's (1991) study of the development and maintenance of US art museums illustrates how, in making distinctions between high and low forms of art, deeper logics around professional interests mediated the creation of national art museums. *Linkage* refers to the extent to which logics connect laterally and vertically. As noted by Greenwood, Suddaby, and Hinings (2002), the justification for change is often, but not exclusively, grounded in the way logics connect, which during isomorphic change relies on existing norms of appropriateness (Suchman, 1995). *Exclusiveness* alludes to occasions when fields are dominated by one or more logics. In mature fields, it is likely that actors will be aware of their involvement in a common enterprise defined by a clear set of rules and values while in emerging fields social relations and logics are more likely to be weakly formed and entrenched (Maguire, Hardy, & Lawrence, 2004).

Governance structures refer to those 'arrangements by which field-level power and authority are exercised involving, variously, formal and informal systems, public and private auspices, regulative and normative mechanisms' (Abbott, 1988, p. 59). According to Clegg, Courpasson, and Phillips (2006) much of this earlier work drew on DiMaggio and Powell's (1983) research framework but tended to overlook power because scholars focused on mimetic isomorphism, neglecting those coercive and normative elements (Mizurchi & Fein, 1999). As Friedland and Alford (1991, p. 246) noted, the limits,

instruments and structures of power vary institutionally but this insight has not generally permeated the institutional literature. Exceptions to this can be found in the work of European scholars who have presented a clearer notion of power (Maurice, Sorge, & Warner, 1980). This type of investigation is distinctive in so far as it involves comparative cross-national analyses that highlight the way different types of power relation can be attributed to different countries (Whitley, 1994); what has been coined the 'societal effect' (Sorge, 1991).[3] As Clegg et al. (2006, p. 11) note:

> The reason that different institutional structures were valued differently in different countries was that different national elites had formed around different constellations of values and interests, giving rise to quite distinct patterns of elite formation, recruitment and reproduction.

The seeming neglect of power in earlier institutional studies is now less apparent because those scholars interested in institutional entrepreneurship have re-introduced agency into institutional accounts, thereby re-opening the debate on the role of power during institutionalization (see Hargrave & Van de Ven, 2006; Lawrence & Suddaby, 2006; Lawrence, Monika, & Devereaux Jennings, 2001). That said, few studies have fully engaged with conceptions of power *and* related these systematically to other aspects of field level structures and processes. Although it is acknowledged that institutional logics and structures are not fixed and that even highly mature fields are in a state of transition (Hoffman, 1999), work on institutional change has continued to emphasise conformity rather than the negotiation of meaning and understanding (exceptions include Townley, 2002; Zilber, 2002). Thus, despite some of the work on logics cited above, how field level processes impact at organizational and microinstitutional levels is not entirely clear.

Early studies of institutional change at field level were focused on situations where institutional change was wholesale and precipitated by 'moves from one dominant institutional logic to another' (Reay & Hinings, 2005, p. 351); this is a 'punctuated process' model of field dynamics which characterises field-level change as the move from stability to crisis and then back to stability again. This limitation was compounded by the fact that such transformations were usually understood in the context of exogenous change events where challenges to existing norms and conventions caused indeterminacy in existing institutional arrangements (Clemens & Cook, 1999). As a result, there have been few studies that consider the range of field-level features in their evaluation (exceptions include, Hensmans, 2003; Reay & Hinings, 2005) or the outcomes of internally driven contestation (exceptions include, Greenwood & Suddaby, 2006). The literature has been dominated by approaches that have a heavy emphasis on structural contingency and which have severely limited the scope and role of agency in their analyses (see DiMaggio, 1991). Instead, we contend that there are limits to our understanding of how institutional norms become 'taken-for-granted' and in this how this taken-for-grantedness informs action in specific local contexts.

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[3]As Tempel and Walgenbach (2007) have recently noted, there are two institutionalist traditions in organization theory. The line of work emerging from the early contributions of DiMaggio and Powell (1983), Meyer and Rowan (1977) and Zucker (1977) is particularly concerned with the influence of societal or cultural environments on organization and is the primary focus of this article. There is a further vibrant research stream around how national institutional frameworks influence organization and business (for example, Hall & Soskice, 2001; Morgan, Whitley, & Moen, 2005; Whitley, 1999).

Developments in institutional theory have seen attempts to engage in both a more holistic assessment of field level dynamics and to incorporate a greater sense of the internal processes of institutional development. This is evident in Lawrence and Suddaby's (2006, p. 219) exploration of 'institutional work' which they describe 'as intelligent situated institutional action'. When conceptualizing institutional work they argue that 'a practice perspective highlights the creative and knowledgeable work of actors which may or may not achieve its desired ends and which interacts with existing social and technological structures in unintended and unexpected ways'. Such ideas represent attempts to theorize 'the knowledgeable, creative and practical work of individual and collective actors aimed at creating, maintaining and transforming institutions' (p. 219).

Our emphasis here is on the notion of 'practice' which in the case of maintaining institutions has received considerably less attention than institutional creation (Scott, 2001). In this respect, our understanding of the role of agency is improving, as is demonstrated in Greenwood and Suddaby's (2006) study of leading accountancy firms. This study is illustrative of recent developments because it alludes to the possibility of field-level 'contradictions' that present focal actors opportunities to change pre-existing arrangements (Seo & Creed, 2002). This is a significant development over earlier institutional studies not only because this work combines an assessment of logics, structure and power relations but also because it illustrates that embedded agents can re-structure the environment despite their social positioning. This marks a shift away from a strong contingency argument. Previous studies tended towards a view of agency as being modulated by the organizational context with the scope for social praxis contingent on the extent to which meaning was embedded. This was thought to vary depending on whether domains were either under organized (Hardy, 1994), stable, or in crisis (Oliver, 1992; Tolbert & Zucker, 1996). This more recent work challenges the 'taken-for-granted thesis' of institutional theory because the research is based on a more open-ended and questioning approach to field-level processes. By allowing for the possibility of endogenous change, Greenwood and Suddaby (2006) allude to the dynamic relationship between agency and structure. In this sense, the orthodox interpretation of fields as structurally contingent phenomenon which at worst ignored action and at best attributed 'space' for agency during periods of crisis has come under increasing scrutiny.

In summary, work at the field level has tended to treat fields as entities or systems. It has thus taken a structural contingency line and expected stability and conformity to be the dominant orientation. This is evident in studies that anticipate crisis as the trigger for change to be followed by further periods of equilibrium. Moreover, much of the research has been narrowly focused with few studies combining assessments of field structure, institutional logics and governance structures (Reay & Hinings, 2005). This is not to deny the utility of existing studies, rather it is to suggest that accounts of field-level processes have tended to understate the relational and often negotiated aspects of field re-production. The interactional effects between field boundaries, institutional logics and power relations which inform the complexity of field-level processes presents a new frontier in theoretical development. In this respect, there is growing recognition of the necessity for an explicit and coherent theory of action (Battilana, 2006) to explain the nature of agency during institutional change (Hirsch & Lounsbury, 1997) and institutional maintenance (Lawrence & Suddaby, 2006).

3. Agency and institutional conformity and change

The primary way in which institutional theorists have engaged with the issue of agency has been through the concept of institutional entrepreneurship. The intervention by DiMaggio (1988) drew appropriate attention to the way in which the legacy of the early institutionalist Philip Selznick[4] had been lost as new institutional arguments emphasized continuity and stability. However, his emphasis on entrepreneurialism and change has resulted in the underplaying of the role of action in institutional reproduction and only very limited engagement with the likelihood of social entropy and therefore the problem of maintaining institutional stability (Zucker, 1988).

Research into institutional entrepreneurship is a significant sub-theme in institutional theory (Lawrence & Suddaby, 2006) as scholars attempt to consider the dynamics of institutional change by bridging 'old' and 'new' theories in what is often coined 'neo-institutionalism' (Greenwood & Hinings, 1996; Kostova & Roth, 2002; Townley, 2002). The initial work in this area was informed by the emphasis on the role of external events in heralding institutional change and sought to explain shifts in pre-existing patterned behaviours. As noted in the preceding section, this work tended to emphasise the introduction of behavioural patterns from outside an institutional domain, attributing agency and interest to the skilled actions of actors with the social capital to legitimize alternative patterns of behaviour and meaning (Fligstein, 1997).

In combination with the expectation of crisis as precipitating change, a number of scholars explored institutional transformation in terms of 'stages' or 'phases' of development (Tolbert & Zucker, 1996, also see Van de Ven & Hargrave, 2004). This type of approach is exemplified by Greenwood et al (2002, p. 60) who describe institutional change as consisting of a sequential process beginning with 'jolts' or external crisis events that help to disturb the 'socially constructed field-level consensus by introducing new ideas and thus the possibility of change'. Such disruptions can lead to pre-institutionalization when local innovations are devised to solve localized issues (Tolbert & Zucker, 1996). This is linked to 'theorization' (Strang & Meyer, 1993) when these local solutions are abstracted for adoption in response to the organizational failing (Tolbert & Zucker, 1996). Such events may prompt (or be prompted by) the introduction of new actors (Thornton, 2002; Thornton & Ocasio, 1999) who 'bring different interpretative frameworks and social definitions of behaviour…that act to diminish consensus and unquestioning adherence to taken-for-granted practices' (Oliver 1992, p. 575). Diffusion occurs when the solutions are objectified, gaining some form of consensus as to their pragmatic value or moral legitimacy (Suchman, 1995). Kostova and Roth (2002, p. 217) argue that adoption comprises 'the development of patterns of behavior and the development of symbolic properties attached to these behaviours at the adoption unit'. Following these stages, re-institutionalization occurs when new institutional arrangements become embedded and a new period of stability is brought about; a process which relies on cognitive legitimacy as new practices become accepted in the field (Suchman, 1995).

These process models offer only a limited sense of how action at micro levels of social interaction informs developments at higher levels of aggregation and across the wider field.

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[4]What has been overlooked in many institutional accounts—which ignore Selznick's (1949) original contribution—is the capacity for actors to respond to different institutional pressures and processes (also see Oliver, 1992).

They share with the treatment of organizational fields discussed above an apparent reliance on relatively mechanistic and contingent process models. While scholars have noted that these stage models cannot be assumed to have a linear and unproblematic trajectory, their articulation encourages a superficial engagement with the complexities of agency. At present, the conventional view of agency limits analyses because this conceptualization focuses on agency either in terms of routinization and the taken-for-granted aspects of action or where entrepreneurial action is triggered by external events; the conceptualization of agency thus remains circumscribed and contingent. This is problematic because scholars either regard agency in terms of embedded meaning and practices when fields are seen to be in a state of relative stability, or agency is attributed to a new trajectory when the status quo is under threat by institutional entrepreneurs. This perspective confines the link between agency and structure to one that is largely predictable and constant, underplaying the potential for multiple orientations even when the field appears to be stable and mature (Emirbayer & Mische, 1998). By assuming that agency is tied to structure in a close and uni-directional way there is little conceptual space to begin to explore occasions when 'stability' and 'crisis' might potentially co-exist over long periods.

In this respect, we agree with Barley (1986) and others who argue that social reproduction involves 'manifold variations in the way social life is constituted in disparate historical settings and on different occasions' (Cohen, 1990, p. 34). The idea of reproduction does not imply 'fixity' (Ranson, Hinings, & Greenwood, 1980) rather; it infers that organizational fields evolve as domains of institutional life (Hoffman, 1999; Sahlin-Andersson, 1996). Despite the early contribution of Friedland and Alford (1991, p. 240) who note that 'society [i]s a potentially contradictory interinstitutional system' it remains the case that institutional studies have routinely failed to engage with the processes through which stability requires achievement. It is only recently that scholars have re-opened this earlier debate (see Zucker, 1988) and begun to reflect on the limits of institutional theory's dominant assumptions (Mutch et al., 2006) in order to more fully examine, for example, the way an actor's social position informs their ability to influence field-level processes (Battilana, 2006).

4. Developing relational institutional analysis

Some recent moves toward assessing the dynamic relationship between agency and structure in institutional change have reproduced some of the limitations of a contingent and mechanistic outlook (Dorado, 2005). Future studies will need to be receptive to the 'structuring' of fields. It is here we see the value of the ideas of Emirbayer both in articulating a relational sociology (1997) and in his examination of agency (Emirbayer & Mische, 1998). His ideas provide insights that can inform the analysis of the microinstitutional processes within the wider structural context—the social ties, cultural discourses, narratives and idioms that 'constrain and enable action by structuring actors' normative commitments and their understandings of their world and their possibilities within it' (Emirbayer & Mische, 1998, p. 971).

Developments in relational sociology reveal a number of concerns 'with the nature of theorizing about organizations and, in particular, how we understand and situate organizational practice' (Mutch et al., 2006, p. 608). This is apparent in the work of Emirbayer (1997) who argues that studies of organizations must focus on processes rather than entities thereby drawing our attention to a better understanding of social context and,

by implication, social reproduction. In developing a clearer set of ideas and theoretical principles about the nature of social and organizational reproduction this approach alludes to the problem of treating fields, for instance, as distinct 'things'. As Emirbayer (1997, p. 287) indicates:

> Relational theorists reject the notion that one can posit discrete, pre-given units such as the individual or society as ultimate starting points of sociological analysis…Individual persons, whether strategic or norm following, are inseparable from the transactional contexts within which they are embedded.

A relational approach provides the means to assess the relationship and connections between organizations and their environment and the development of these over periods of time. Although 'fields' represent a way to frame such investigations, the issue, as already argued, is in the way fields are treated—they have frequently been specified as one or more 'variables', rather than as the context and outcome of social relations. Resolution is to be found by conceptualizing 'relations between terms or units as pre-eminently dynamic in nature, as unfolding, ongoing processes rather than as static ties among inert substances' (Emirbayer, 1997, p. 289). As is discussed by Emirbayer and Mische (1998, p. 970), this relies upon an understanding of agency as 'the temporally constructed engagement by actors of different structural environments—the temporal relational contexts of action—which, through the interplay of habit, imagination, and judgement, both reproduces and transforms those structures in interactive response to the problems posed by changing historical situations'. In developing a dynamic connection between agency and structure, a relational approach allows for both stasis and change in the context of changing historical situations. It is in the way actors connect with such processes that it becomes possible to better assess and understand institutional stability and change that often stretches over considerable periods of time (Mutch et al., 2006). Such ideas draw our attention towards the need for a clearer appreciation of the connections between structure and agency which avoid reverting to simple contingent arguments. This is usefully captured by Hays (1994, p. 65) who argues:

> Since social life is fundamentally structured, the choices made by agents usually tend to reproduce those structures. That reproduction process, however, is never fully stable or absolute and, under particular circumstances, the structured choices that agents make can have a more or less transformative impact on the nature of structures themselves. Human agency and social structure, then, have a simultaneously antagonistic and mutually dependent relationship.

The dominant perspective in institutional theory has been that taken-for-granted norms inform action. This is discussed by Emirbayer and Mische (1998, p. 998) as what they term the iterational element which gives 'stability and order to social universes …helping to sustain identities, interactions and institutions over time'. However, this perspective limits our understanding to the basic human preference for predictability and survival (DiMaggio, 1988). Alternative approaches to agency can be seen in those early accounts of institutional entrepreneurship (e.g., DiMaggio, 1991) that invoke what Emirbayer and Mische (1998, p. 998) refer to as the projective element or the 'imaginative generation by actors of possible future trajectories of action, in which received structures of thought and action may be creatively reconfigured in relation to actors' hopes, fears and desires for the future'. Although this perspective opens-up the possibility for change, it can run the risk of

exaggerating the knowledgeability and strategic intent of actors. In breaking with these ideas, recent work on institutional entrepreneurship has shown how field-level contradictions often provide alternative points of connection for actors who are able to free themselves from existing or dominant normative cues of action (Seo & Creed, 2002). Although the role of actors is less well understood on such occasions these accounts infer that field-level contradictions provide space for alternative social norms to be articulated or negotiated. These may then become discursive resources for motivated actors (see Greenwood & Suddaby, 2006). In recognizing the potential for reflective moments during field reproduction scholars have begun to examine the third element of agency (although not articulated in these terms) which Emirbayer and Mische (1998, p. 971) label as the 'practical-evaluative' element. This entails 'the capacity of actors to make practical and normative judgements among alternative trajectories of action, in response to the emerging demands, dilemmas, and ambiguities of presently evolving situations'. In recognizing the potential for reflection it is important to realize that the ability 'to affect social structures varies with the accessibility, power, and durability of the structure in question' (Hays, 1994, p. 62). The relational aspect of agency and structure is historically circumscribed such that the malleability of institutions is best understood at the moment when agents "collide" with existing structures; the outcome of this cannot be predicted but reveals the intersection of localized events, the power of those making choices and the wider social context which frames an agent's assessment of what might be possible.

What is crucial here is the possibility for multiple 'orientations' at any one time. As Emirbayer and Mische (1998, p. 973) argue, 'the ways in which people understand their own relationship to the past, future and present makes a difference to their actions; changing conceptions of agentic possibility in relation to structural contexts profoundly influence how actors in different periods and places see their worlds as more or less responsive to human imagination, purpose and effort'. This is important in the case of field-level processes because to assess the effects of the microorder it is necessary to understand how local activities influence the agentic orientation of actors in the context of field processes. Hence, actors can hold different orientations although it is also likely that a given orientation will predominate in certain structural contexts. This is not to say, however, that this will always be the case. Rather, such ideas infer that social reproduction and structure 'are more or less open to intentional and unintentional human tinkering' (Hays, 1994, p. 62). By acknowledging an intersection between agency and structural context it is possible to argue that the agentic orientation and subject position of actors are not only closely aligned but also open to intentional or unintentional transformation as actors engage in social conversations and relations (see Battilana, 2006).

5. A relational framework

According to Friedland and Alford (1991, p. 243) institutions are 'the central institutions of the contemporary capitalist west—capitalist market, bureaucratic state, democracy, nuclear family, and Christian religion'. Such precision is often lacking in empirical studies at the organizational level. In particular, such categories are rarely referred to in the proliferating range of work presented in institutional analyses. We would argue that a challenge for institutional theorists is to adequately clarify concepts so that scholars connect those historical and temporal categories outlined by Friedland and Alford (1991) with individual and organizational levels of analysis (Mutch et al., 2006). It is here where

we see resonance with Lawrence and Suddaby's (2006) conceptualization of 'institutional work', which recognizes the ongoing and active construction of institutional domains over time and space (also see Lawrence et al., 2001).

Our observations of recent developments in the institutional literature show a growing similarity with Zucker's (1988) contention that social entropy threatens institutional stability and that building and maintaining institutions is a continual process (see Lawrence & Suddaby, 2006). This is not to deny the possibility (or even likelihood) of stability, rather it allows conceptual space to assess the processes through which stability and change are negotiated. This represents an iterative cycle of ongoing achievement; structures constrain and enable action which, in turn, forms and is informed by those structures. Here it should be possible to comment on variations in the durability of social structures and institutions and the extent to which they might guide human thought and action (Hays, 1994). A clearer appreciation of the different ways in which individuals connect with social structures (illustrating different levels of structural "depth" and power) will offer the opportunity for a better account of field-level dynamics and institutions which should lead, for example, to new insights around the paradox of embedded agency.

A relational framework for institutional analysis provides the conceptual clarity necessary to overcome many of the weaknesses to be found in the existing institutional literature (Table 1). Foremost and, as already mentioned, the starting principle is that social reproduction is not fixed (Zucker, 1988). Social and field-level reproduction is an ongoing process; social structures, including institutions, are the product of human action but also frame that action. Structure both enables and constrains human agency and understanding while such structures are also more or less open and susceptible to change. In recognizing the negotiated element to social reproduction we agree with Emirbayer (1997) about the primacy of context and process in sociological analysis (see also Mutch et al., 2006). Whatever the circumstances or outcomes, such a theorization recognizes that the actions of agent's are never fully voluntary while the mediating effects of social structures are never wholly deterministic (Emirbayer, 1997; Hays, 1994; Mutch et al., 2006).

Let us briefly elaborate the implications of a relational approach. The key elements of field structure include boundaries, logics and governance structures. Once treated as relational elements of an ongoing process of field reproduction, a framework that reflects the inter-relatedness of these elements provides the potential for increasing complexity and

Table 1
Starting points of theoretical development

	Relational approach
Institutional dynamics	Institutional reproduction is not fixed. Field structures vary in their depth and power; they are multi-dimensional.
Agency	Agency can be understood in terms of orientations to the past, present and future. How agents connect with their environment is informed by perceptions of the historical and local realities at a given moment. Agency has both intentional and unintentional outcomes.
Levels of analysis	Social structures are inter-relational and multi-layered. They both mediate and are also the outcome of action. The transformational influence of agents is related to their actions, the embeddedness of the social structure and the historical setting.

change that may stem from these inter-relationships. For example, an increasing permeability of boundaries may permit the increase in variety of institutional referents (Dorado, 2005) available to actors and/or the number and variety of actors meaningfully engaged within the field. Each of these may in turn encourage a greater variety of possible institutional logics. This may then have implications for the established power relations and governance mechanisms at any given point in time. Conversely, the advent of alternative institutional logics may open up a field's boundaries and the potential for the reconstitution of its power relations and governance. The prospects of any scenario are interwoven with relevant relations and the nature of power within these (Lawrence et al., 2001). And in practice these three elements are intertwined and mutually constitutive. In combination, they determine the degree of complexity of the field-level processes relevant within that field. As this complexity increases, so too does the potential for variety in agentic orientation. Following Emirbayer and Mische (1998), an opening up of the spaces and opportunities of agency offers the prospect for greater innovativeness and creativity. Most notably, this may nurture and enable acts of 'institutional entrepreneurship'; more broadly this provides the context for action in general. The nature and negotiated outcomes of action may subsequently result in greater or lesser degrees of stability in terms of the field's boundaries, logics and governance. This representation thus provides an initial step in framing the integration of processes of structure and agency in organizational field dynamics.

Such proposals are provisional and the space allowed for this discussion makes it impossible to expand on these ideas in any great detail. However, we would contend that developments in the institutional literature present opportunities to open debate about the ontological status of the approach and to reconsider institutional maintenance as an important area for theoretical development. The idea of linking levels of analysis takes on considerable significance because 'if microorder is seen as also generative of institutions (Garfinkel, 1963, 1967; Schultz, 1970), then there will be less stability overall' (Zucker, 1988, p. 42). To meaningfully incorporate agency back into institutional analysis we contend that it is necessary to create conceptual space to account for conflict between social order at the macro- and micro levels. What happens during daily life often stands in contradistinction to existing institutional routines and arrangements. The extent to which such divergences and contradictions lead to change is an important point of contention and provides an opportunity for reflection. It is in the spirit of opening up dialogue and engagement that we draw readers' attention to the possibilities that a relational sociology brings to institutional theory.

Acknowledgements

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