Institutional Logics and Public Management

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A perusal of the tables of contents of management journals from the last 15+ years reveals an increased interest in and attention to the construct of “institutional logic.” Thornton and Ocasio (2008, p. 99), listing eleven recent studies that have employed the construct, comment that it has become, “somewhat of a buzz-word.” Friedland and Alford (1987) are usually credited with the set of ideas that underlie the construct. They posit that each of the major institutions of western society is characterized by an inherent “logic” which they define as, “a set of material practices and symbolic constructions—which constitutes its organizing principles” (p. 248). Each major institution represents a different belief system or worldview, an encompassing way of thinking about one’s environment that links purpose and process, ends and means, and that helps interpret and assign meaning to behavior. Friedland and Alford contend that these institutions represent cognitions shared by members of society. They discuss how individuals and groups can exploit points of difference among these institutions as well as the inherent legitimacy they are accorded to promote change at the organizational and field levels.

Thornton and Ocasio (2008) identify five “principles” that provide additional clarity into the construct, the first of which is, “embedded agency.” Embedded agency can be best understood in contrast to the rational choice perspective according to which individuals are presumed to act according to a universal logic of utility maximization. Friedland and Alford (1987) are critical of the rational choice approach because of the omission of a theory of how utilities are formed. They argue, in contrast to the universalistic approach adopted by neoclassical economists that, individual, “interests, identities, values and assumptions” (p. 233) are institutionally specific and that the logic of utility maximization is consistent with the market but not with other institutions.
Central to Friedland and Alford’s (1987) formulation is of society as an “inter-institutional system,” (Thornton and Ocasio, 2008, p. 104). By this they are referring to how each societal sector/institution is distinguished by a different logic or rationality. The core logics associated with the major institutions of Western society are as follows:

The institutional logic of capitalism is accumulation and the commodification of human activity. That of the state is rationalization and the regulation of human activity by legal and bureaucratic hierarchies. That of democracy is participation and the extension of popular control over human activity. That of the family is community and the motivation of human activity by unconditional loyalty to its members and their reproductive needs. That of religion, or science for that matter, is truth, whether mundane or transcendental, and the symbolic construction of reality within which all human activity takes place (Friedland and Alford, p. 248).

It is often at the sector/field level that these multiple rationalities are “elaborated” (Friedland and Alford, p. 248; Thornton and Ocasio). Further, multiple logics may be at play in any one organizational field. Thus, Cooper et al. (1996) describe a shift from a professional to a market logic within law firms. Scott et al. (2000) chronicle a similar shift in the health care field as do Thornton and Ocasio (1999) in the publishing field.

Insight into how institutional logics are presumed to affect field-level outcomes can be gained from the Thornton and Ocasio (1999) study. Thornton & Ocasio focus specifically on processes of executive succession in the publishing industry. They describe how, over time, the criteria according to which publishing firm executives were selected, shifted. Whereas executives had traditionally been selected on the basis of a professional logic with an emphasis
on author-editor networks and executive success in building the prestige of the publishing house, in time executives came to be selected instead on the basis of their anticipated success in building the competitive position of the house through acquisition and expansion and their contribution to the profit of the corporate parent. Table 1 lists key nine dimensions along which, “two ideal types of higher education publishing” vary. According to Thornton & Ocasio, institutional logics impact outcomes, 1) by shaping the, “the meaning, appropriateness, and legitimacy of various sources of power” (p. 806), 2) by determining, “what issues to attend to in controlling and rewarding political behavior” (p. 806), and 3) by determining, “what answers and solutions are available and appropriate in controlling economic and political activity in organizations” (p. 806).

Thornton and Ocasio’s (2008, p. 105) third principle of institutional logic is, “the material and cultural foundations of institutions.” Their view is that institutions that are considered predominantly cultural, such as the family, nevertheless have “material” dimensions in that they, “are directly involved in the production, distribution, and consumption of goods and services” (p. 105). Similarly, institutions such as the market which are commonly regarded as predominantly material in nature have a cultural dimension. Such institutions they comment, “locate the origins of values and utilities” (p. 105). No one institution (e.g. the market) takes precedence, and, “values and utilities cannot be traded off as simple economic alternatives” (p. 105). Thornton and Ocasio state that institutions have symbolic, cognitive and normative dimensions.

The popularity of the theory of institutional logic as a framework for organizational analysis is attributable in part to the fact that it incorporates multiple levels of analysis. In Friedland and Alford’s (1987) formulation, logics, as shared cognitions, are relevant at both the individual and societal levels. A number of authors have made reference to the importance of
the level of the organizational field in institutional theory more generally. Thus Greenwood et al. (2002, p. 58) comment, “The concept of organizational field is central to institutional theory. It represents an intermediate level between organization and society and is instrumental to processes by which socially constructed expectations and practices become disseminated and reproduced.” The organizational field, also referred to as “sector” or “industry” has served as the primary unit of analysis in a number of studies employing the institutional logic framework. Thus, Bacharach and Mundell (1993) look at reform in the educational sector, Bacharach et al. (1996) study the airline industry, Haveman and Rao (1997) investigate the thrift industry, and Scott et al. (2000) focus on the healthcare industry. In their study of the publishing industry, Thornton and Ocasio (1999, p. 805) comment on their selection of a unit of analysis as follows; 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."

The fifth and final principle of institutional logics according to Thornton and Ocasio (2008) is “historical contingency.” The key point here is that the relative influence of the six major institutions of Western society shifts over time. Whereas market logics are currently dominant, religion dominated in an earlier era. On this point, those who employ the institutional logic framework differ from other institutional theorists such as Meyer and Rowan (1977) who perceive a long-term trend toward market rationalization.

**Public Sector Applications of the Theory of Institutional Logic**

Several studies that employ the institutional logic construct are anchored in the public sector including the Bacharach and Mundell (1993) study of reform in the educational sector. Bacharach and Mundell employ the term, “logic of action,” instead of institutional logic.
Specifically, logics of action are described as, “underlying cognitions that link separate behaviors” (p. 86). In a related study on the same topic, Bacharach et al. (1995) cite Selznick’s famous study of the Tennessee Valley Authority, *TVA and the Grass Roots: A Study of Politics and Organization*, as an example of how logics of action are operationalized at the organizational level. They contend that Selznick’s study reveals the TVA’s attempts to invoke a democratic logic as part of an attempt to gain legitimacy for the organization. They comment that, “Selznick focused on the use of the broad ideology of ‘administration by the grass roots’ to justify the leadership’s pragmatically determined decisions about specific policies, structures, and rules of participation by local officials, thus shielding the organization from critics within the Tennessee Valley and Washington, DC” (p. 86).

Greenwood and Hinings (1993) study of local governments in England employs the term, “interpretive scheme,” instead of institutional logic but apparent from the discussion is that there is a high degree of compatibility between the two. They found that the local governments conformed to one of two “archetypes,” the “professional bureaucracy” archetype or the “corporate bureaucracy” archetype with each archetype corresponding to a particular “interpretive scheme.” They define interpretive scheme as a set of, “values, norms, beliefs, and rationalizations,” that, “provide both a logic and a propellant for an organization.” (p. 1056).

Meyer and Hammerschmidt (2006) focus on whether and to what extent an, “‘old’ administrative orientation is being replaced by a new managerial logic [the New Public Management] in the Austrian public sector.” They investigated whether Austrian public servants shifted their “social identities” to accommodate NPM principles with a focus on whether a traditional public sector logic, “dominated by obligatory action and a logic of appropriateness manifested in a terminology of duties, procedures and obligations,” has been displaced by a
managerial logic, “characterized by an economic or management emphasis and dominated by anticipatory action and a logic of consequentiality reflected in a terminology of performance and results, efficiency and effectiveness, and managerial competence and prudence” (p. 1003).

Purdy and Gray (2009) conducted a study of state offices of dispute resolution. Their interest was in whether, as has been maintained by other authors, an organizational field comes to feature a single dominant logic. They track the evolution of two alternative logics that served as justifications for these offices; a judicial logic and a public policy logic. Pursuant to the judicial logic, disputes were framed, “in terms of disputes, rights, and justice” (p. 360) and the purposes of the offices of dispute resolution was defined as to, “diminish backlogs and delay and save disputants time and expense” (p. 360). Pursuant to the public policy logic, in contrast, “The underlying logic was democratic: alternative dispute resolution enabled citizens to participate more fully in creating the policies that governed them, presumably resulting in better-quality, more widely accepted outcomes, and less litigation” (p. 361). Purdy and Gray find that the two logics continue to co-exist and that neither has become dominant.

The Institutional Logic Construct

Included in this section are discussions of; institutional logics as collective schemata, organizational change as a change in logics, and organizational politics and institutional logics.

Institutional Logics as Collective Schemata

The theory of institutional logics places emphasis on the cognitive dimension of organizational life. In this respect, “logic” approximates the constructs of organizational paradigm (Sheldon, 1980), frame (Goffman, 1974), and ideology (Beyer, 1981). Central to the formulation is that members of a group, whether at the societal, field, or organizational level, share a common “schema.” Gioia (1984, p. 449) uses the following definition:
A schema is some generalized cognitive framework that an individual uses to impose structure upon, and impart meaning to social information or social situations in order to facilitate understanding. A schema provides a knowledge base that serves as a guide for the interpretation of information, actions, and expectations.

Embedded in this construct are several key ideas. One, as the above definitions imply, is that sensory data from the external environment is processed via a preexisting knowledge structure or frame. Fiske and Taylor (1991, p. 98) comment as follows; “Schemas facilitate what is called top-down, conceptually driven, or theory-driven processes which simply means processes heavily influenced by one’s prior organized knowledge, as opposed to processes that are more bottom-up or data driven.” Implicit in this description is that people will seek to fit new information into an existing knowledge structure. This may result in the screening out of information not consistent with that structure and/or the screening in of information that is consistent with the structure.

A third key idea related to the schema construct is that humans process information in a unitary rather than an atomized manner consistent with Fiske and Taylor’s description of the process as, “conceptually driven” rather than “data driven.” A conclusion is that humans do not process information in a wholly objective fashion. For the purpose of this discussion, an institutional logic is considered analogous to a collective schema, a pre-existing knowledge structure shared by members of a society. Sharing in this instance, implies understanding rather than acceptance and adoption because, as discussed below, individuals are presumed to employ multiple, potentially contradictory schemas simultaneously.

**Organizational Change as a Change in Logics**

Organizations as open systems and the equilibrium model of change. As noted above,
Greenwood and Hinings (1988, 1993) use the term, “interpretive scheme” instead of logic. Like an institutional logic, an interpretive scheme is a shared knowledge structure that is institutionally specific. Within an organizational field, there exist multiple interpretive schemes, each associated with a different design archetype: “A design archetype is…a set of ideas, beliefs and values that shape prevailing conceptions of what an organization should be doing and how it should be judged, combined with structure and processes that serve to implement and reinforce those ideas” (Greenwood and Hinings, 1988, p. 295). In any one societal sector, organizations will tend to conform to a small number of archetypes. Thus, in their 1993 study, Greenwood and Hinings contend that British municipalities tended to conform to either a “professional bureaucracy” or a “corporate bureaucracy” archetype. In a professional bureaucracy, “Recruitment and career development systems emphasized the importance of professional qualification…compensation and appraisal system focused on performance of professional activities…and the resource allocation mechanism was an incremental mode of budgeting” (p. 299). In a corporate bureaucracy, in contrast,

Recruitment at the highest levels emphasized general management competence combined with professional experience and incentive systems rewarded corporate rather than professional contribution. Career systems were altered to facilitate movement across professional boundaries. The resource allocation system encompassed rigorous programmatic analysis and review (p. 299).

Change occurs when an organization switches from one archetype to another (and hence from one interpretive scheme to another).

Embedded in Greenwood and Hinings’ (1988, 1993) conceptualization of organizations is an equilibrium-seeking dynamic. This is the case because each archetype represents a
configuration of mutually-supporting elements. They cite Miller and Friesen (1984, p. 1) in this regard as follows;

`configurations are composed of tightly interdependent and mutually supportive elements such that the importance of each element can best be understood by making reference to the whole configuration.'

Greenwood and Hinings (1988, p. 294) add, “The primary analytical thrust of Miller and Friesen is that organizational designs should be considered in terms of the patterning or coherence of component elements because the structural attributes and processes of an organization frequently have a coherence or common orientation, forming an archetype.” A degree of stability inheres in these configurations by virtue of the complementary nature of the constituent elements. Organizational arrangements thus tend to be characterized by a high degree of “inertia.”

The framework that Greenwood and Hinings (1993) present has many elements in common with that of Romanelli and Tushman (1994) who invoke a “punctuated equilibrium” model to explain organizational change. With punctuated equilibrium the presumption is that change, when it occurs, tends to be radical in scope and short in duration. This is the case because, to achieve a new state of equilibrium, all elements of the configuration must change and because intermediate states in which the elements are not congruent are inherently unstable.

**Organizations as political systems and the disequilibrium model of change.** An alternative conceptualization is of organizational change is as a predominantly political process driven less by a, “spontaneous tendency towards homeostasis or self-stabilization” (Silverman, 1970, p. 30) than by self-interest. Rather than an equilibrium seeking dynamic, organizations are governed by a political dynamic with one or more coalitions seeking to impose its preferred “logic.” Stability may prevail to the extent that consensus on a logic prevails. Alternatively,
contestation among groups may result in instability. Bacharach and Mundell (1993, p. 429) comment as follows;

…the Weberian perspective assumes that there may be many different logics of action, with individuals and groups in the organization vying to impose their different logics of action on the organization as a whole. In this context, organizational politics can be seen as a struggle among various interests to establish unity around a particular logic of action, whether this unity is established by consensus or domination.

As with Greenwood and Hinings’ (1988) formulation, the emphasis is on the cognitive dimension of organizations. Coherence to the extent that it exists at the organizational level derives not from an exogenous need for coherence and consistency but from the extent to which a particular logic is shared among stakeholders.

Using this alternative framework and similar to Greenwood and Hinings (1988, 1993), change can be conceptualized as a change in an organization’s dominant logic or interpretive scheme. However, for Greenwood and Hinings each interpretive scheme is linked to a particular archetype where each archetype corresponds to a different institutional logic. In the alternative conceptualization, the link between an organizational logic and an institutional logic is less distinct. Rather, an organizational logic may consist of an amalgam of institutional logics. Change is from one amalgam to another.

Change may therefore need not be from one discreet “state” to another. In fact a change in state, in which one dominant logic is replaced by another is likely to be the exception. Bartunek’s (1987) distinction between first and second order change becomes applicable. According to Bartunek (p. 486), first order change, “includes changes consistent with already-present schemata,” whereas, second-order change seeks, “to change the schemata themselves.”
An example of second-order change would be when a public organization is privatized. To the extent that privatization represents a shift from a situation where a “state” logic is dominant to one where a “market” logic was dominant, second-order change will have occurred. First-order change is presumed to be more common than is second-order change.

Responsibility-Center Budgeting as second-order change. An example of change of this nature is available from the university sector. Many universities have instituted systems of “responsibility-center budgeting” as a means of inducing a higher level of financial responsibility on the part of units. With RCB, individual colleges and/or departments keep a portion of the tuition- and grant-based revenue that they generate. RCB stands in contrast with the traditional, appropriations-based model in which departments receive an allocation based on the amount received the prior year with occasional adjustments made centrally. The market dynamic thereby introduced can result in a significant change in attitude in comparison with the professional orientation that has traditionally prevailed. For example, there may be tensions over admissions standards as the quest to increase enrollment conflicts with a desire to maintain high levels of quality. Decisions will be have to made as to the level of priority assigned marketing and recruitment activities relative to the conduct of research. Departments will have an incentive to introduce new programs based on revenue considerations rather than only for professional purposes. PhD programs are hard to justify purely on the basis of market considerations.

Institutional Logics and Organizational Politics

As the above discussion makes clear, in the alternative or “disequilibrium” model the “motor” of change is the self-interested or political behavior of stakeholders. The organizational logic, consisting of a shared view of the organization’s purpose, of the values that guide the pursuit of that purpose and of how individuals within the organization relate, becomes an object
of contestation. He who shapes the perception of purpose and process to a large extent shapes the organization.

Institutions and institutional logics provide the larger context for the contestation occurring at the organizational level in Friedland and Alford’s (1987) formulation. By virtue of the fact that they simultaneously operate in multiple institutional contexts, individuals are subject to multiple logics. Friedland and Alford (1987) highlight the “contradictions” that exist between institutional logics as providing opportunities for agency at the organizational level. They (p. 256) state that, “institutional contradictions are the bases of the most important political conflicts in our society, it is through these politics that the institutional structure of society is transformed.” Seo and Creed (2002, p. 240) comment;

A theory of institutional change…emphasizes agents’ ability to artfully mobilize different institutional logics and resources, appropriated from their contradictory institutional environments, to frame and serve their interests. Thus, political contests over the framing and mobilization of institutional rules and resources, which entail the active exploitation of contradictions between institutional structures and logics, become central features of institutional change processes.

These contradictions take the form of discordant elements that are introduced as institutional logics become operationalized at the organizational level. Thus, for example, a church organization in which a logic corresponding to the Christian religion dominates also incorporates a business dimension. The question of whether and to what extent the business logic should prevail in matters relating to money may become a source of dispute within the congregation. Friedland and Alford (1987, p. 257) discuss how workers’ rights group have promoted a democratic logic as a basis for workplace relations; “Workers attempt to redefine the
social relations of production as defined by democratic rights of citizenship rather than contractual property rights.”

Bacharach and Mundell (1993) invoke the logic of action/institutional logic construct to explain the dynamics of reform in the educational sector. They describe how teachers and their allies, including, “site-based staff (e.g. principals)” promote reforms that enhance professional autonomy while “district central office staff” prefer a bureaucratic logic of action with an emphasis on holding teachers accountable through mechanisms such as performance measures.

Central to the discussion of politics is the concept of legitimacy. Would-be agents of organizational change will seek to exploit the legitimacy that inheres in higher-level institutions in an attempt to convey their preferred logic. It is precisely the legitimacy that is accorded these different institutions that accounts for their central role in the change process. Political contests at the organizational level center largely around which side can gain acceptance of its point of view. Would-be agents of change therefore seek to gain that acceptance by associating their concept of organizational purpose with one or more higher-level institutions. Clemens and Cook (1999, p. 459) comment; “The presence of multiple institutional orders or alternatives constitutes an opportunity for agency…in which political entrepreneurs seek to negotiate multiple sets of expectations or to embed their project more firmly in one of the possible institutional foundations.” Haveman and Rao (1997, p. 1614) comment that, “The essence of institutional entrepreneurship is to align skillfully an organizational form and the specific institution it embodies with the master rules of society.” Seo and Creed (2002, p. 236) add that, “an important challenge for institutional entrepreneurs is to embed their change initiatives within frames or models available in the broader society.”

The National Performance Review provides an example of how would-be reformers
invoked the legitimacy accorded the institution of the market to elicit support for their initiative. In the Report of the National Performance Review (Gore, 1993, p. 6), Vice President Gore invoked the term, “entrepreneurial government,” commenting:

   Effective, entrepreneurial governments insist on customer satisfaction. They listen carefully to their customers…They restructure their basic operations to meet customers’ needs. And they use market dynamics such as competition and customer choice to create incentives that drive their employees to put customers first.

The institution of the market is often invoked by those seeking to reform the state. Institutions and the logics with which they are associated serve as sources of influence by virtue of the widespread legitimacy they are accorded. To the extent that organizational arrangements rely on their legitimacy from their association with broader institutions, so those arrangements can be undermined to the extent the dominant logic can be challenged. Contradictions allow opportunities for challenges to occur.

**Institutional Theory and Institutional Logics**

Traditional institutional theory posits that organizations make structural decisions primarily on the basis of legitimacy considerations rather than on the basis of efficiency considerations. Meyer and Rowan (1977, p. 349) comment, “Incorporating externally legitimated formal structures increases the commitment of internal participants and external constituents.” As discussed above, legitimacy considerations are also central to the theory of institutional logics. Traditional institutional theory however presumes the existence of exogenous standards according to which legitimacy can be assessed. With the theory of institutional logics, in contrast, what is legitimate is subject to ongoing challenge and whether one structure is more legitimate than another is known only as a consequence of an explicit test.
The theory of institutional logics represents an advance to the extent that it addresses two perceived shortcomings of traditional institutional theory, one of which is the absence of an explanation for change. In traditional theory, the presumption is that organizations will conform to “rationalized myths” (Meyer and Rowan, 1977) in order to obtain legitimacy but no explanation is provided for how and under what circumstances organizations will depart from legitimated structures. As has been noted, the theory of institutional logics does accommodate change via the promotion of alternative logics by individual agents. The emphasis is on cognitive changes rather than on change in the formal structure.

A second and related criticism of institutional theory is that insufficient attention is given to considerations of power and self-interest. Covaleski and Dirsmith (1988, p. 562) comment, “institutionalization appears to be interpreted as a relatively passive, subtle, and long-term phenomenon wherein societal expectations exist and organizations conform to them. Lacking is consideration of the active agency by which various social actors may construct, change, and enforce these expectations.” The theory of institutional logic, in contrast, makes explicit allowance for agential activity by individuals via the promotion of alternatives to an organizations’ dominant logic.

**Institutional Logics, Language and Rhetoric**

Empirical investigations into the validity of the theory of institutional logics have largely focused on matters of language and linguistics. As has been discussed, the determination of what logic will prevail in any particular circumstance is a matter of politics and a key element of the political dynamic is the articulation of how and why one logic should prevail over another. An examination of the rhetoric employed during these discussions can therefore serve to reveal how different logics are conceptualized and sold.
In a related discussion, Pfeffer (1981) emphasizes an examination of language as a means of examining organizations as paradigms. He is interested in assessing, “the degree of paradigm consensus” as it affects decision making and operations in the scientific disciplines (p. 17). He suggests that the degree of paradigm consensus can be assessed in part via, “parsimony in communication” (p. 17). He comments, “With a shared set of understandings about the definition of concepts, important research problems, and research methodologies, less time and space must be devoted to explicating definitions, developing theoretical arguments, and defining and justifying variables and their measurement” (p. 17).

In their 1993 study, Bacharach and Mundell argue that the alternative logics of actions promoted with regard to school reform can best be understood by examining the rhetorics of the different stakeholder groups. They say that the rhetorics, “should then be compared across explicitly identified dimensions (e.g. explicitness, scope, audiences, and content)” (p. 444). Suddaby and Greenwood (2005) also see the analysis of rhetorics as central to understanding shifts in logics. They comment,

Shifts in logic, however, are highly contested, and because logics are abstractions, such contestations are often a function of rhetoric in which the legitimacy of competing logics is openly debated. In these debates, actors employ rhetorical devices to connect elements of the existing or proposed form to broader cultural understandings in an effort to support or challenge the comprehensibility of an innovation” (p. 41).

Green et al. (2009) make even more explicit the centrality of rhetoric to the process of institutionalization and “institutionally embedded agency.” “Through rhetoric,” they state, “actors shape the legitimacy of practices by making persuasive arguments that justify and rationalize practices” (p. 11). Their study investigates the institutionalization of Total Quality
Management (TQM) practices within the American business community. Although Green et al. refer to “practice,” their argument is equally applicable to the construct of logic; “Rhetoric or discursive reasoning helps define what a practice means and why the adoption, broad diffusion, and prevalence of that practice are sensible and appropriate” (p. 12).

Emphasized here has been that the concept of legitimacy is central to the theory of institutional logic; the legitimacy inherent in societal institutions and their associated logics accounts for their prominence in political contests at the organizational and field levels. Green et al. (2009, p. 13) make explicit the link between legitimacy, rhetoric, and institutional logic as follows;

Cognitive legitimacy is concerned with satisfying collective standards of appropriate behavior by explaining or justifying the social order in a way that motivates actors to enact actions within a comprehensible, meaningful world…Language shapes cognitive legitimacy through institutional logics. ‘Institutional logics are the belief systems that furnish guidelines for practical action’ (Rao, 2003, p. 705-6). As belief systems, institutional logics encode the criteria for legitimacy by shaping individual and collective understandings of what material conditions are problematic, as well as what material practices represent appropriate solutions to these problems.

Green et al.’s (2009) study of the institutionalization of TQM practices relies on classical rhetorical theory and the use of syllogisms. Syllogisms in turn consist of a major premise, a minor premise and a conclusion. According to Green et al., “Individuals use a major premise and combine it with a minor premise to produce a claim. The difference between the major premise and the minor premise is that the major premise is more entrenched in endoxa. Endoxa are the commonly held opinions and beliefs of a discursive community” (p. 14). The premise of
the study is that as a practice (TQM) becomes institutionalized, those promoting its use will feel less and less obligated to state the major premise because the premise has become institutionalized and “taken-for-granted” as part of endoxa. Absent a major premise, a syllogism collapses into an enthymeme. Eventually, it is no longer necessary to state the minor premise and the syllogism collapses into simply a “claim.”

To test their hypothesis, Green et al. (2009) reviewed articles about TQM in prominent business journals and newspapers for the period 1975-1995. Using a random sample of paragraphs from these articles, they show that the structure of the arguments employed in support of TQM changed and that the syllogism that improvements in quality lead to a reduction in cost collapsed over time into enthymemes and claims. This finding is consistent with Pfeffer’s (1981, p. 17) thesis that paradigm consensus results in “parsimony in communication.”

Issues Regarding the Theory of Institutional Logics

Notwithstanding the above, a number of issues/questions relating to the theory of institutional logic remain to be resolved including:

- What is the nature of the relationship between an organizational logic and an institutional logic? Does there need to be a direct correspondence? Can an organization have a logic unrelated to a major institution?
- What are considered institutional logics? Does the list extend beyond the six identified by Friedland and Alford (1987)?
- How does the construct of “institutional logic” relate to other similar terms that have been employed by various authors?

Only the last and perhaps most significant of these questions will be addressed here.
Validity and the Institutional Logic Construct

A key issue regarding the theory of institutional logic relates to the validity of the central construct. Bacharach (1989) suggests that construct validity be assessed on the basis of both convergent validity and discriminant validity. On discriminant validity, he comments, “In determining discriminant validity, the theorist must confirm that ‘one can empirically differentiate the construct from other constructs that may be similar, and that one can point out what is unrelated to the construct’” (p. 503).

Apparent from the discussion above is that a variety of terms has been employed to connote the concept of shared ideational systems. Included are;

- Institutional logic
- Logic of action (Bacharach and Mundell, 1993)
- Interpretive scheme (Greenwood and Hinings, 1993)
- Collective schemata (Bartunek, 1987)
- Frame (Goffman, 1974)
- Paradigm (Sheldon, 1980)
- Ideology (Beyer, 1981)

The definitions provided for many of these constructs are so broad as to make distinctions difficult. Thus, Ranson et al. (1980, p. 5) define interpretive scheme as, “deep-seated bases of orientation which operate in every encounter in organizations as shared assumptions about the way to approach and proceed in the situation.” Ranson et al. explicitly relate the term “interpretive scheme” to, “Gouldner's (1971) ‘domain assumptions,’” “Cicourel's (1973) ‘cognitive organization,’” and “Goffman's (1974) ‘frames’.” Bacharach and Mundell (1993, p. 427) describe logics of action as, “belief systems that govern behavior in
organizations,” adding;

Specifically, in organizations, logics of action can be manifested as broad ideologies and specific policies…By ideology, we mean broad beliefs that legitimize specific actions and intents. By policies, we mean behaviorally anchored beliefs that guide and direct specific actions. Whether logics of action are manifested as broad ideologies or specific policies, these belief systems (logics of action) implicitly govern decisions about both goals and means, thus indirectly linking them together.”

Ford and Ford (1994, p. 758), comment,

Logics, which are similar to paradigms (Kuhn, 1996), frames (Bartunek, 1989), interpretive schemes (Ranson, Hinings, & Greenwood, 1980), world-views (Lincoln, 1985; SRI International, 1979), and deep structures (Gersick, 1991), are something more than what a person thinks or feels. They also are more than metaphors (Morgan, 1986; Ortony, 1979); they are fundamental and coherent sets of organizing principles that are unquestioned and unexamined assumptions about the nature of reality. They provide the lenses through which we view everything, telling us "what is real, what is true, what is beautiful, and what is the nature of things" (Lincoln, 1985: 29).”

Consistent throughout these various descriptions is that organizational realities allow different interpretations. Further that these interpretations are synoptic in nature and encompass all aspects of organizational life. A distinguishing feature is the extent to which the theorists who employ this construct emphasize a consistency and coherence of orientation; hence the terms, “logic” and “worldview.”

As discussed above, the comprehensive nature of this construct as well as its cognitive basis evoke the term “schema.” A key is that schemas are inherently integrative in nature.
Norman and Bobrow (1975, p. 125) write that, “a schema consists of a framework for tying together the information about any given event; with specification about the types of interrelationships and procedures upon the way things fit together.” Markus and Zajonc (1985) relate schemas to gestalt theory.

In their investigation of the concept of ideology in organizational analysis, Weiss and Miller (1987, p. 107) note that, “the contemporary literature most often treats it as one of a variety of ideational components of organizations, frequently as part of an analysis of "organizational culture".” They cite a variety of different definitions of ideology that have been offered, including that of Abravanel (1983, p. 274) of ideology as, "a set of fundamental ideas and operative consequences linked together into a dominant belief system often producing contradictions but serving to define and maintain the organization." Weiss and Miller conclude, as do Bartunek (1987) and Ford (1994) that a variety of terms has been used for the same essential construct. Weiss and Miller comment;

In the contemporary organization studies literature, ideology has been treated as roughly synonymous with "frames of reference" and "cognitive maps" (Shrivastava & Mitroff, 1984), "perceptions and norms" (Dunbar, Dutton, & Torbert, 1982), "values" (Trice & Beyer, 1984), and "beliefs" (Pettigrew, 1983). Indeed, Sproull (1981), in reviewing the literature on beliefs in organizations, noted that they went by labels such as cultures, sagas, cognitive images, stories, myths, and ideologies (p. 111).

**Institutional Logic and Culture**

Of particular interest is whether and how institutional logic relates to the construct of culture. The work of a number of theorists leads to the conclusion that the two are closely affiliated. Thus, Smircich (1983, p. 348)(citing Rossi and O’Higgins)(1980) defines culture as,
“a system of shared cognitions or a system of knowledge and beliefs.” Miller (1993, p. 122) defines culture as, “…a constellation of basic views and assumptions, expressed as beliefs and values, that is shared by the key members of an organization.” Smircich (p. 349) compares “culture” to “paradigm,” commenting that;

The understanding of organizations as culture -- structures of knowledge, cognitive enterprises, or master contracts -- is strikingly similar to the notion of paradigm as it is applied in scientific communities. In other words, paradigms and cultures both refer to world views, organized patterns of thought with accompanying understanding of what constitutes adequate knowledge and legitimate activity.

Meek (1988, p. 467) cites the understanding on the part of some of culture as, “ideational or cognitive systems” and as, “systems of knowledge.” She quotes Goodenough (1957) as follows;

A society's culture consists of whatever it is one has to know or believe in order to operate in a manner acceptable to its members. Culture is not a material phenomenon; it does not consist of things, people, behavior, or emotions. It is rather an organization of these things. It is the form of things that people have in mind, their models for perceiving, relating, and otherwise interpreting them.'

Based on these definitions, it might be presumed that “logic” and “culture” refer to the same essential phenomenon. However, culture is a notoriously amorphous construct which has been the subject of debate among theorists for decades. It is not clear that equating logic with culture furthers theoretical development. However, a careful exegesis of these terms including a review of their origins and the contexts in which they have been employed may help further refine the meaning of each. For example, some distinctions between logic and culture seem apparent.
Whereas culture is usually described as a fixed characteristic of a group or organization, as defined here a logic need not be stable or of long duration. Further, as has been noted, culture is often described as a unitary phenomenon in which all members of a group/organization share. As has been discussed, organizational members share the awareness of multiple, societal level logics from which a organizational logic may be distilled. However, by virtue of the simultaneous presence of multiple, inherently contradictory logics, the organizational logic is constantly subject to challenge and contestation. A third difference is that logics are ideational as opposed to normative in nature. The theory of institutional logic presumes that individuals are capable of assimilating and acting according to multiple, contradictory sets of ideas and are not necessarily therefore subject to a single set of norms. Further analysis along these lines may lead, 1) to a determination that both logic and culture refer to the same underlying construct or, 2) a refinement of the definitions of both.

**Conclusion**

The theory of institutional logics presents a provocative model as to the nature of organizations and organizational life. It represents one of the more fully-developed challenges to the open systems model which has long dominated theorizing about organizations. Notwithstanding epistemological stance, rooted in interpretivism and relying on many of the “social construction of reality” tenets articulated by Berger and Luckmann (1989) it has gained a high degree of interest and acceptance among theorists. Key challenges remain however if the theory is to gain additional traction. One is that as a meta-theory (Thornton & Ocasio, 2008), the theory of institutional logics is not readily falsifiable. Studies that have been done to date, including several with high degrees of methodological rigor reveal how data can be interpreted in ways consistent with the theory but needed are more direct tests in which the theoretical
implications of the theory of institutional logic come in direct conflict with those predicted by open systems theory.
Reference List


Ref Type: Art Work


Ranson, S., Hinings, B., & Greenwood, R. (1980). The Structuring of Organizational


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