

ORGANIZATION THEORY

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New directions in OT and implications for HE

Herbert Simon (1991), nobel prize in economics (1978), hypothetical visitor from Mars (organizational economy)

- **organizational ecology** (long history of studying populations of organizations - industry as a collective identities share certain properties)
- fitting expectations - we evaluate organizations in accordance with our expectations
- how much our expectations influence the evaluation of the organization?

- **institutional theory** - explores the processes that lead to the emergence and consolidation of organizational forms
- the concept of logics - patterns of activity by which individuals make their (material) life meaningful
- readings: Schofer and Meyer
- education - crucial instrument for economic growth, as well as for political and social development

- **networks theory** - diffusion of knowledge and practices
- example - patient number 0 with AIDS (had large social network)
- structural positioning is what makes the productivity go up, not just the numbers of connections
- connectivity is an important element of organizations
- researchers mobility (transfer of knowledge, routines and practices)
- how does a structural position of universities effect productivity?
- structural position of connections, rather than just number of connections

Organizational models - what are they for?

- provide directions for improving performance (models of rational decision making/planning, Taylor)
- prediction (resource dependence/political models, Hackman)
- represent reality (bounded rationality/political models/garbage can models (Simon, March, Olsen), university specificity (Musselin))
- compare different formal organizations (bureaucracy, democracy, community, producer (Bleiklie, Olsen))
- identify different aspects of organizations (technological, political and institutional levels (Thomson))

RICHARD WHITLEY SESSION

Universities as Corporate Actors: limitations and variations

- firms as an economic actors
- NPM discourse - universities will be better managed in terms of their contributions if could be managed as enterprises - reflect misunderstanding of nature of universities vs. nature of firms

Firms vary considerable in governance and organizational capabilities

The governance of firms varies in three major ways:

1. the degree of autonomy from investors, banks and other sources of finance
2. degree of dependence on skills employees for problem solving and capability development
3. degree of dependence on suppliers, customers and collective associations for innovation, knowledge and capabilities

Three distinct types of organizational capabilities:

1. coordinating
2. organizational learning (developing routines)
3. reconfiguring

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The New Institutionalism (Uwe Schimank / Frank Meier)

Reading: meyer/rowan:

- look at individual organization
- empirical starting point - similarity of organizations
- no existence of "one best way"
- weber and taylor - efficiency and effectiveness are main goals in organizational development
- actions are strongly shaped by institutions (neoinstitutionalism) - institutions are patterns which gives solutions: this is how it should be done; patterns are taken for granted, no alternatives, everything else would be called irrational, immoral, even crazy
- organizations must ask themselves: what is rational?
- institutions: legitimate patterns
- rationality - not primarily orientations of organizations, but secondary
- primary: equisition of legitimacy by the organization (it can be doe by conforming institutional patterns of rationality)
- nobody knows what is really rational, but what is consider to be rational - "rational institutional myths"
- institutional patterns vs. actual needs and practice - "de-coupling" as a solution
- talk vs. action - organizational hypocrisy

DiMaggio/Powell, 1983

- what does this pattern means for the organizational field/for the organizational society - the concept of Isomorphism (this is their starting point and answer)
- common search for legitimacy which organizations must have
- competitive pressures
- only limited number of organizational structures survive over time on highly competitive market (similar to ecology population)
- isomorphism not because of the competitive external pressures but due to institutional pressures!!!

Three mechanisms of institutional isomorphism:

- **coercive isomorphism** (government make new roles that pose to the university, NPM)
- **normative isomorphism** (organizational structures are prescribed; often used as an explicitly policy of change in institutions - institutions will recruit people with only, e.g. MBA i these people will shape the institutions and its structures and changes by the knowledge they have so far)
- **mimetic isomorphism** (every organization is asking themselves what do other organizations do? and copy-paste is usually happening - this reflect the organizations' uncertainty between their means and end/goals - the greater uncertainty there is, the greater possibility that organization will copy other organizations that find similar to itself)

DiMaggio, 1988

- merits and limits of institutional theory
- no common agreement on the theory of actor, nor on the theory of institutional action and change
- implicitly: interest-driven behavior
- 2 universal interest of organizations and actors: (I) interest in certainty and predictability and (II) survival - they provide stability, possibility to predict future events
- institutions strive to gain and to maximize their legitimacy, and legitimacy is necessary prerequisite for survival
- his most essential focus is on the question how do institutions change? Answer: if actors are intentionally trying to effect to institutions, the dynamics of institutions, its creation and reproduction
- Politics of Institutionalization
 - **institutional work** - the concept of institutional work is an attempt to shift the focus to purposive actions of individuals and/or organizations within the neo-institutional framework - institutional work implies activities rather than accomplishments + cognitive and/or physical efforts involved (Lawrence et al. 2009)
 - **institutional entrepreneurship** (in the last decades lots of papers have been published within the filed of institutional entrepreneurship, looking for the powerful actors)

Lawrence/Suddaby/Leca 2008

- broader idea of intentional actor trying to change institutional structures
- we don't need to have one powerful actor, but several actors that are not powerful, do not possess much resources - distributed agency
- institutional work - the purposive action of individuals and organizations aimed at creating, maintaining and disrupting institutions
- broader concept - it includes institutional entrepreneurship but also other actions that can affect institutional dynamic
- it is institutional work when there is intention to affect institutional change
- broad, open concept, they did not want to exclude any kind of work/action on institutional work

- there is much more to discuss in the field of institutional theory (presented papers and concepts have been receiving much attention during the last decade; it would be wrong to say they are the most important one, but obviously receiving attention and being more and more published)
- **Scandinavian institutionalism:** imitating, translating, editing
- **Theory of the society:** (might be important to our work/projects)
 - world polity (Meyer: globalize environment; broad framework on how are nation-states, institutions-individuals connected;: very broad approach in geographical sense, broad in sense we have fundamental institutional ideas and content about the moral and the ontological and theoretical relation between organizations and their environment),
 - inter institutional system (institutional logics) - logic of the market, logic of the state, religion, profession...
- institutional theory is not a **theory of conflicts** but we find in it much of the explanations for the expected conflicts on all the levels

Reading: Kruzer 1975: The complexity of roles as a as autonomy

Peter, reading presentation

TRUE - to what extent have universities been transform from loosely coupling to more and tightly organization, from incomplete to complete organizations?

- focus on university governance structures (boards, specifically with external members)
- with the introduction of board, traditional formal university governance structure has been changed
- path dependence
- decoupling - degrees of decoupling? first description but the the effects of decoupling? explaining differences - path dependency of degrees of coupling? causal relationships!
- window of opportunities

EUROAC - HEPROS and New Institutionalism

RHESI - institutional work and educational sciences in Germany