Institutionalization occurs whenever there is a reciprocal typification of habitualized actions by types of actors. Put differently, any such typification is an institution.

Peter L. Berger & Thomas Luckmann (1967: 54)

3 Organizational institutionalism

In this chapter, I will delineate the theoretical background and the conceptual stage in view of my empirical study and also hint at some methodological implications. In short, I argue that organizational institutionalism with its core analytical notions of (in particular) institutions, institutional logics, organizational fields, theorization, legitimacy, institutionalization processes, and institutional change provides appropriate means to address the guiding questions of this project.

Interested in how corporations achieve legitimacy in the face of competing expectations from their environment, I suggest thinking of corporate communication on CSR in annual reports – casual and strategic alike – as one of the multiple loci where social categorization and typification of CSR practices and actors involved become visible. Above, I provided evidence that CSR is still an evolving debate and emerging “issue field” (e.g., Hoffman, 1999; Meyer, 2004), with the concept’s very meaning “under negotiation” in ongoing and complex processes within this field. Business organizations – the potential and “typified” adopters – are among the most important actors here: Their statements, assessments, framings, accounts, and the labels they use all feed into the notion and theorization of this management concept. Thus, beyond merely employing analytical constructs from organizational institutionalism to empirically investigate the phenomenon of CSR, it is my objective to further elaborate on the understanding of theorization as has been presented to date. Building primarily on work of Strang and Meyer (1993), theorization should be understood as a dynamic concept that not only serves as a precondition for diffusion (Tolbert & Zucker, 1996; Greenwood, Suddaby, & Hinings, 2002) but as an activity that permanently accompanies institutions – their creation, maintenance, and demolition – through the formation and use of social categories, labels, and content-specific attribution. I argue – drawing, among others, on Berger and Luckmann’s (1967) levels of legitimation – that the role of actors adopting specific practices is much more central than is often depicted: By making sense of adopted or adoptable practices in interpretive struggles, they significantly contribute to the ongoing theorization of disseminating concepts and practices.

While established and taken-for-granted, there is little need to explicitly address (or even revise and alter) the theorization in place. However, I propose that in phases of institutionalization, deinstitutionalization, or institutional change (i.e., when institutions are challenged), explicit theorization activities will dramatically increase.
“Actors rarely, if ever, remain silent as they make policy or build regulatory regimes. They think, meet, argue, make claims, define options, conduct studies, tell stories, and generate discursive output, including reports, interviews, minutes, and newspaper commentaries. In producing this output, actors reveal how they perceive problems and make (or fail to make) connections among concepts, objects, and practices. They also articulate models, fairness principles, and criteria for reasonableness or efficiency” (Schneiberg & Clemens, 2006: 210-211).

In this regard, all actors in an issue field are viewed as active interpreters of practices (Hardy & Maguire, 2008), and “individuals’ interpretations can be seen as part of institutional agency – the social actions that create, reproduce, and change institutions” (Zilber, 2002: 236, with reference to Karnøe, 1997; see also Lawrence & Suddaby, 2006).

I will develop my argument in several steps within this chapter. First, I will elaborate on the relevance of bringing together the bodies of literature on CSR and organizational institutionalism. Subsequently, I will present a brief review of the tradition of research on diffusing practices and forms within institutional research. The core of the chapter will contain an outline of the tool kit of institutional organizational analysis, thereby setting the scene for the conceptual design of the study at hand; my remarks, however, will be restricted to those central points that seem necessary for my empirical research agenda. As a consequence, I will direct my attention to the very prerequisite for both diffusion and institutionalization: the discursive theorization of a new practice.

A variety of scholars, especially from Scandinavian institutionalism, have emphasized the relevance of local and field-level characteristics that influence the adoption of new concepts, practices, and forms; they have made institutional theory familiar with the notions of “translation” and “editing”, describing an adaptation of diffusing practices and their theorizations in order to fit local structures of expectations. I argue that, despite several empirical studies showing such adaptations by actual adopters at the local organizational level, most have so far neglected important consequences of this idea: the influential patterns these multiple adaptations form at field level.

I suggest calling this effect of more local levels informing and influencing more global levels the “repercussion” of adaptation (see below). In such a way, my research aims at taking seriously the hitherto neglected “call to focus on the micro-processes of institutional production at the macro level” (Phillips & Malhotra, 2008: 718, with reference to the work of Zucker). Finally, I will conclude that theorization and dissemination of managerial ideas and concepts are essentially discursive processes, thus pointing to implications and consequences for the empirical design of my research.
3.1 CSR and organizational institutionalism

Research on CSR embraces, and brings together, a diversity of conceptual approaches, theoretical perspectives, and empirical traditions. The previous chapter outlined that CSR is – as a distinct managerial idea/practice, management concept, issue field, and “field of scholarship” – still in a state of emergence (see also Lockett et al., 2006; McWilliams et al., 2006b; Crane et al., 2008b). However, as Crane et al. (2008b) note, indicators of an increasing institutionalization of CSR are reported both for academia (e.g., journals and special issues devoted to research on CSR, academic conferences facilitating scholarly debate, and CSR as an advancing area of academic teaching) and corporate practice (e.g., explicit statements on corporate websites, corporate initiatives, and CSR reporting). This ongoing institutionalization of CSR, together with the important role of the wider institutional setting and processes of institutional change, has ample implications for my research project – especially with regard to the concept’s meaning at field level.

While the literature has to some extent traditionally focused on the consequences of CSR – for instance, the effect of corporate social performance on financial performance (see, e.g., Margolis & Walsh, 2003; Orlitzky et al., 2003) –, little attention has been paid to understanding the preconditions and empirical causes of CSR (Campbell, 2006). Recently, several scholars (e.g., Aguilera & Jackson, 2003; Campbell, 2006, 2007; Miller & Guthrie, 2007; Matten & Moon, 2008) have shown particular interest in the study of institutions and institutional context – i.e., the wider societal and political frames and arrangements, as well as norms, incentives, and rules – to examine issues of CSR. They suggested that research informed by organizational institutionalism (for an overview, see Greenwood, Oliver, Sahlin, & Suddaby, 2008) could provide helpful insights and lead to a better understanding of why and how CSR is spreading on a global scale.

Organizational institutionalism posits that organizations make decisions facing multiple pressures defined by the specific organizational field in which they are embedded (DiMaggio & Powell, 1983) and with an overall objective of maintaining their legitimacy in this field (Suchman, 1995). In addition, this line of theory and research has highlighted how regulative, normative, and cultural-cognitive processes (Scott, 2008) lead to increasingly standardized and rationalized organizational practices and forms even across cultural boundaries. However, organizational institutionalism need not be read as deterministic. As Oliver (1991) points out, organizations – i.e., organizational decision makers – may also proactively and

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55 For example, Campbell (2007) evaluates connecting lines between CSR research and organizational institutionalism; he also offers an institutional theory of CSR consisting of a series of propositions specifying the conditions under which corporations are likely to behave in socially responsible ways. For an empirical application of this framework see, for instance, Chih, Chih, and Chen (2010); for some conceptual limitations see Lee (2008), among others.
strategically respond to institutional pressures in multiple ways. With regard to the institutionalization of CSR and related practices, Miller and Guthrie (2007, with reference to the work of Suddaby & Greenwood, 2005) suggest that organizations respond proactively to institutional pressures through the use of structure and rhetoric. Matten and Moon (2008) further note that drawing on concepts from organizational institutionalism allows for exploring the ways in which corporations are governed based on motives and interests of multiple stakeholders:

“Contemporary institutional theory illuminates the global spread of [explicit] CSR and its social contextualization beyond its U.S. origins. It enables CSR to be framed in the broader context of organization studies and international management. Thus, the recent worldwide adoption of CSR policies and strategies can be understood as part of the global spread of management concepts, ideologies, and technologies […], resulting in some sort of ‘Americanization’ of management practices” (Matten & Moon, 2008: 406, with reference to Guler, Guillén, & Macpherson, 2002, as well as to Djelic, 1998).

Matten and Moon (2008) also stress that the assumption of social responsibility of business remains contextualized by the respective institutional framework56 – and therefore varies across cultural fields. Their overall explanatory model (reproduced in Figure 6) depicts the corporation as embedded in a historically grown institutional framework (i.e., in a national business system; see Whitley, 1999, among others) as well as exposed to institutional pressures from within an organizational field (e.g., Scott, 2008).

In sum, one could expect research at the intersection of CSR and organizational institutionalism to yield considerable results and insights. Surprisingly enough, the two bodies of literature have to date remained largely isolated from each other (Campbell, 2006; but see, for instance, Aguilera & Jackson, 2003; Doh & Guay, 2006; Campbell, 2007; Miller & Guthrie, 2007; Guthrie & Durand, 2008; Matten & Moon, 2008; Jackson & Apostolakou, 2010).

56 Schneper and Guillén (2004: 289), for instance, note that “the power of various stakeholders characterizes countries in fundamental and momentous ways”.

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3.2 Research on the diffusion of organizational and managerial practices

Studies investigating the diffusion of organizational and managerial practices, including normative concepts and institutional rules, are prominent in empirical institutional research. According to one of the fundamental assumptions of organizational institutionalism, such diffusion – on a global scale – shapes the structures and practices of organizations in the same manner and to the same extent as they are exposed to similar environments; this inevitably leads to organizational isomorphism (DiMaggio & Powell, 1983). An extensive body of literature has significantly enhanced our understanding of diffusion mechanisms, offering “a variety of rational, boundedly rational, and social explanations for the adoption and diffusion of practices across time and space” (Ansari, Fiss, & Zajac, 2010: 67). Such studies also “provide an opportunity to observe the cultural construction of meaning, where we learn how practices are locally and globally interpreted, and ask why some practices flow while others languish” (Strang & Soule, 1998: 266).

The relevant academic literature is especially characterized by highlighting two sets of explanations regarding the processes that lead to the adoption of organiza-
tional and managerial practices and forms (Ansari et al., 2010; see also Strang & Macy, 2001): Rational accounts typically emphasize a technical imperative for adoption (e.g., efficiency and effectiveness), whereas social accounts typically emphasize a cultural imperative for adoption (e.g., imitation, legitimacy); both are assumed to explain diffusion under different conditions (Ansari et al., 2010). The degree of dissemination of a specific organizational and managerial practice within a field is interpreted as an indicator for its institutionalization. Empirical research applies multivariate methods and a broad range of variables in order to detect and/or test patterns of the adoption of practices (for an overview see Rogers, 1995; Strang & Soule, 1998; Scott, 2008, among others).

Green (2004: 653) points our attention to the outstanding role of language and rhetoric57 in processes of diffusion: Any dissemination of organizational practices and forms depends on “discursive justifications” used to explain and rationalize them up to a point when justifications are taken-for-granted, and practices and forms reach a state of institutionalization. Green (2004: 654) thus argues for greater integration of rhetoric and discourse in diffusion studies:

“A rhetorical perspective suggests that managers play an active role in the diffusion process, because what managers say and how they say it matter a great deal […]. This perspective recontextualizes diffusion as a product of rhetoric, because rhetoric can influence the motives driving firms to adopt innovations and shape the social structure through which those practices diffuse. […] This view emphasizes the linguistic origins of rationality and institutions. To rationalize is to give discursive reasons for actions; to institutionalize is to accept and take these reasons for granted. This makes language central to understanding variations in the diffusion and institutionalization of managerial practices and suggests a more active conceptualization of discourse and social action.”

Recently, conventional diffusion research has faced substantial criticism. One major concern (see below for more details) is that scholars might have overestimated the ability to export and import organizational and managerial practices across cultural borders: Such objects have been theorized and are embedded in specific fields as well as in social contexts and thus have a specific cultural meaning that might not be transferable (e.g., Brunsson, 1989; Czarniawska & Joerges, 1996; Sahlin-Andersson, 1996; Strang & Soule, 1998; Snow & Benford, 1999; Sahlin-Andersson & Engwall, 2002a; Meyer, 2004). Another significant concern addresses the fact that within a general trend of organizational isomorphism and homogeneity, a substantial degree of practice variation and heterogeneity can be recorded (e.g., Westphal, Gulati, & Shortell, 1997; Lounsbury, 2001, 2008). Organizational institutionalism, consequently, sees itself confronted with the challenge to provide

57 The role of language and discourse within organizational institutionalism in general and for diffusion processes in particular is emphasized in various studies (e.g., Strang & Meyer, 1993; Phillips, Lawrence, & Hardy, 2004) and often falls back on the seminal work of Berger and Luckmann (1967; see also Luckmann, 2006).
the appropriate tools to capture such heterogeneity (Walgenbach & Meyer, 2008). Lounsbury (2001: 53) is among the first to point in this direction:

“In general, we need more studies that connect institutional change to variation in the content of organizational practices. To uncover institutional sources of practice variation, however, researchers may have to employ more eclectic methodologies that combine large-scale archival analysis with more grounded ethnographic research strategies. By understanding how the content of organizational practices is shaped by broader institutional forces, we may develop new insights about the sources of organizational heterogeneity and gain significant leverage in identifying why organizational diversity exists in some fields but not in others.”

For research focusing on the dissemination of organizational and managerial practices, the requirement to take such variation – i.e., heterogeneity not only across, but also within specific local contexts – into account is inevitably linked to a thorough investigation of the very meaning of practices.

### 3.3 A conceptual tool kit for organizational institutional analysis

Modern organizational institutionalism discusses a broad variety of conceptual approaches and theoretical perspectives, implying various analytical strategies that could be viewed as “theoretical resources in an institutional tool kit” (Lounsbury, 1997: 465; Swedberg, 2006). Providing the “typical tools for the job” (Schneiberg & Clemens, 2006), they facilitate an analysis of the dissemination and institutionalization of organizational and managerial practices.\(^{58}\) I will briefly outline – against the backdrop of the empirical study to follow – what I regard as the most important conceptual tools provided by the domain of organizational institutionalism.

#### 3.3.1 Institutions

It goes without saying that institutions are at the very core of all versions of institutional theory. According to Berger and Luckmann (1967: 54), an institution is the “reciprocal typification of habitualized actions by types of actors”. In a similar vein, Barley and Tolbert (1997: 96) define institutions as “shared rules and typifications that identify categories of social actors and their appropriate activities or relationships”. Consequently, such a definition of institutions also implies, for certain types of actors, a certain sequence of typical actions – generally referred to as “scripts”. Institutions should therefore also be understood as (consolidated) structures of expectation. They are, by definition, of relative permanence, and thus

\(^{58}\) Such analysis focuses on notions or topics such as the field, “embeddedness”, processes and trajectories of diffusion, theorization, institutional logics, isomorphism, homogeneity and heterogeneity of practices, hybridization of logics, bricolage, translation, or decoupling.
a bridge across time and space (Meyer, 2004), even though they are themselves subject to change – be it evolutionary or revolutionary⁵⁹ (e.g., Greenwood & Hinings, 1996; Clemens & Cook, 1999; Greenwood et al., 2002; Amis, Slack, & Hinings, 2004; Campbell, 2004; Greenwood & Hinings, 2006; Schneiberg, 2007).

A standard – “omnibus” – definition of institutions is presented by Scott (2001: 48; see also Scott, 2008):

- “Institutions are social structures that have attained a high degree of resilience.”
- “Institutions are composed of cultured-cognitive, normative, and regulative elements that, together with associated activities and resources, provide stability and meaning to social life.”
- “Institutions are transmitted by various types of carriers, including symbolic systems, relational systems, routines, and artifacts.”
- “Institutions operate at multiple levels of jurisdiction, from the world system to localized interpersonal relationships.”
- “Institutions by definition connote stability but are subject to change processes, both incremental and discontinuous.”

Scott (1995, 2008) also introduces a model defining the “three pillars of institutions” that serves as a central and widely accepted “lowest common denominator” in organizational institutionalism (see Table 1 below). It is, however, important to hold that the three pillars are represented to varying degrees in the different forms of institutions: They are not “types” of institutions, but represent relevant dimensions to access institutions analytically (Walgenbach & Meyer, 2008).

<table>
<thead>
<tr>
<th>Regulative</th>
<th>Normative</th>
<th>Cultural-cognitive</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basis of compliance</td>
<td>Expedience</td>
<td>Social obligation</td>
</tr>
<tr>
<td>Basis of order</td>
<td>Regulative rules</td>
<td>Binding expectations</td>
</tr>
<tr>
<td>Mechanisms</td>
<td>Coercive</td>
<td>Normative</td>
</tr>
<tr>
<td>Logic</td>
<td>Instrumentality</td>
<td>Appropriateness</td>
</tr>
<tr>
<td>Indicators</td>
<td>Rules, laws, sanctions</td>
<td>Certification, accreditation</td>
</tr>
<tr>
<td>Affect</td>
<td>Fear guilt/innocence</td>
<td>Shame/honor</td>
</tr>
<tr>
<td>Basis of legitimacy</td>
<td>Legally sanctioned</td>
<td>Morally governed</td>
</tr>
</tbody>
</table>

Table 1: The three pillars of institutions (Source: adapted from Scott, 2008: 51)

⁵⁹ “Revolutionary and evolutionary changes are defined by the scale and pace of upheaval and adjustment. Whereas evolutionary change occurs slowly and gradually, revolutionary change happens swiftly and affects virtually all parts of the organization simultaneously” (Greenwood & Hinings, 1996: 1024).
In a nutshell, what are the implications of this conceptualization for the study at hand? In Austria, social responsibility has been a deeply rooted institution for large business organizations for many years; moderated by the historically grown institutional framework, it has been related to a variety of actions more or less expected from corporations (see chapter on empirical context for more). Such presumed understanding has been anchored in the Austrian – and more broadly: in the continental European – interpretation of corporate governance and control. As a consequence, these taken-for-granted activities were neither addressed explicitly nor used strategically by the corporate world: They were, however, implicitly addressed in the way in which corporations conducted their daily business. As I will show, the claim to talk about, report on, and account for corporations’ social responsibility has been a fairly novel, yet increasingly institutionalized practice in this specific empirical context. Especially with advancing globalization and a worldwide spread of management concepts – mainly incorporating an Anglo-American ideology or logic of corporate governance and control (see also Meyer & Höllerer, 2010) – corporations have felt increasing pressure to (re-)define their role, and ensure their legitimacy, within society.

3.3.2 Institutional logics

Beyond the regulating, coordinating, and organizing capacity of institutionalized practices it is, as Meyer and Höllerer (2009) emphasize, important to highlight the expressive character of all institutions that is also at the very heart of Selznick’s (1957) classic definition. Institutions are embodiments of a “Leitidee” (Lepsius, 1997) or “substance” (Friedland, 2009) that guides the organizing principles of an institutional order – i.e., they are symbolic formations that serve as signifiers for this guiding orientation, which is in turn knowable and perceivable only by being materialized and given shape (Meyer & Höllerer, 2009). As Friedland stresses, such “an institutional logic is a bundle of practices organized around a particular substance” (2009: 61) and depends “on making the invisible substance visible” (2009: 65).

The notion of institutional logics is one of the most opalescent and widely used in organizational institutionalism. Originally introduced and subsequently further developed by Alford and Friedland (1985; Friedland & Alford, 1991) to describe the central contradictory practices and beliefs inherent in institutions of modern

An alternative, albeit related, conception is provided by Thornton and Ocasio (1999: 804) who define institutional logics as “the socially constructed, historical patterns of material practices, assumptions, values, beliefs, and rules by which individuals produce and reproduce their material subsistence, organize time and space, and provide meaning to their social reality”.

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societies,\textsuperscript{61} it has been applied to a diversity of research topics and empirical contexts (for an overview and thorough discussion, see Thornton & Ocasio, 2008). Rejecting “both individualistic, rational choice theories and macro structural perspectives”, Friedland and Alford “posited that each of the institutional orders has a central logic that [...] provides social actors with vocabularies of motive and a sense of self (i.e., identity)” (Thornton & Ocasio, 2008: 101).\textsuperscript{62}

Various empirical studies focusing on institutional change, hybridization of practices, and institutional orders or practice variation emphasize the competition between alternative institutional logics within an organizational field (e.g., Greenwood & Hinings, 1993; Haveman & Rao, 1997; Thornton & Ocasio, 1999; Scott, Ruef, Mendel, & Caronna, 2000; Lounsbury, 2002; Townley, 2002; Rao, Monin, & Durand, 2003; Reay & Hinings, 2005; Haveman & Rao, 2006; Meyer & Hammerschmidt, 2006a, 2006b; Lounsbury, 2007; Marquis & Lounsbury, 2007; Meyer & Höllerer, 2009). As Friedland and Alford (1991: 232) succinctly point out, social actors are generally exposed to multiple institutions and institutional orders

“[…] that shape individual preferences and organizational interests as well as the repertoires of behaviors by which they may attain them. These institutions are potentially contradictory and hence make multiple logics available to individuals and organizations. Individuals and organizations transform the institutional relations of society by exploiting these contradictions.”

### 3.3.3 Organizational fields

The organizational field is – both as a primary unit and level of analysis (Scott, 2008) – “the central construct” for research anchored in organizational institutionalism (Wooten & Hoffman, 2008: 130; see also DiMaggio, 1986; Walgenbach & Meyer, 2008). Introduced in the seminal article of DiMaggio and Powell (1983), it was soon criticized for a number of reasons (for an overview see, for instance, Walgenbach, 2002). Scott (2008: 181) notes that “like so many concepts in institutional theory, the conception of organizational fields is a work in progress. […] It is, at one and the same time, widely accepted and hotly contested.” According to Scott (1994: 207-208),

“[…] the notion of field connotes the existence of a community of organizations that partakes of a common meaning system and whose participants interact more frequently and fatefully with one another than with actors outside of the field.”

\textsuperscript{61} Friedland and Alford (1991) list for modern Western societies the capitalist market, the bureaucratic state, families, democracy, and religion.

\textsuperscript{62} Against the backdrop of the study at hand, and as Nigam and Ocasio (2010: 826, with reference to Ocasio & Joseph, 2005; Zilber, 2006, among others) point out, institutional logics are also “embodied in vocabularies and communication […]. Both the prevalence of specific words, phrases, or signs and their use to denote specific meanings can serve as indicators of societal and field-level institutional logics”.
Such an understanding partly corresponds with DiMaggio and Powell’s (1983: 148) original definition of the organizational field as a social space that encompasses “those organizations that, in aggregate, constitute a recognized area of institutional life”: Organizational fields constitute a social space delimited by a particular distribution of institutionalized rules, positions, and resources (Phillips, Lawrence, & Hardy, 2000; see also Oakes, Townley, & Cooper, 1998).

Another, more recent approach conceptualizes organizational fields that have not been formed around markets or technologies but have emerged around central disputes and “issues that bring together various field constituents with disparate purposes” (Hoffman, 1999: 352). Organizational fields are thus “centers of debates in which competing interests negotiate over issue interpretation” (Hoffman, 1999: 351). In this way, the organizational field also includes the relevant organizations – from the point of view of actors (Fligstein, 1991). Summarizing in his study on corporate environmentalism, Hoffman (1999: 352; see also 2001) suggests

“[…] that a field is formed around the issues that become important to the interests and objectives of a specific collective of organizations. Issues define what the field is, making links that may not have previously been present. Organizations can make claims about being or not being part of the field, but their membership is defined through social interaction patterns […]. Field membership may also be for a finite time period, coinciding with an issue’s emergence, growth, and decline.”

In a parallel vein, but with a different emphasis, Meyer (2004; see also Meyer & Höllerer, 2010) defines the “totality of relevant actors” (DiMaggio & Powell, 1983: 148) of an issue field as those actors that engage in the “politics of signification” (Benford & Snow, 2000: 625); she also reveals the striking interface with social movement research as she conceptualizes fields as the social space in which actors have to mobilize support and legitimacy.

Finally, Scott (2008: 209) reminds us of why the field concept represents such a useful analytic framework and valuable tool in organizational institutional research:

“Although it would appear that a field-level focus would detract attention from our attempt to understand the behavior of individual organizations, I believe that this is far from being true. Just as the attributes and actions of a character in a play are not fully comprehensible apart from knowledge of the wider drama being enacted – including the nature and interest of the other players, their relationships, and the logics that guide their actions – so we can better fathom an organization’s behavior by seeing it in the context of the larger action and meaning system in which it participates.”

3.3.4 Legitimacy

“Organizations require more than material resources and technical information if they are to survive and thrive in their social environments. They also need social
acceptability and credibility” (Scott et al., 2000: 237). Legitimacy – one of the fundamental concepts in organizational and management studies and in organizational institutionalism in particular (for an overview, see Deephouse & Suchman, 2008; note also the relevance for the field of CSR) – has been made “into an anchor-point of a vastly expanded theoretical apparatus addressing the normative and cognitive forces that constrain, construct, and empower organizational actors” (Suchman, 1995: 571). A helpful and thus widely cited reference and definition has been coined by Suchman (1995: 574):

“Legitimacy is a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions.”

Awarded on the principle of a comprehensive, generalized evaluation of an organization rather than in an event-specific manner, legitimacy is “possessed objectively, yet created subjectively” (Deephouse & Suchman, 2008: 574): It is “conferred when stakeholders – that is, internal and external audiences affected by organizational outcomes – endorse and support an organization’s goals and activities” (Elsbach & Sutton, 1992: 700). Hence, an organization is regarded as legitimate if its objectives and activities appear appropriate within a specific institutional framework.63 It might be important to stress that legitimacy is more “a relationship with an audience rather than […] a possession of the organization” (Suchman, 1995: 594).

Berger and Luckmann (1967: 93) already hold that “legitimation ‘explains’ the institutional order by ascribing cognitive validity to its objectivated meanings. Legitimation justifies the institutional order by giving a normative dignity to its practical imperatives.” Especially in cases when organizations are exposed to environments characterized by the existence of multiple or even contradictory/competing institutional logics, proactive legitimacy management64 becomes increasingly important to establish or maintain legitimacy of the organization and its activities in the face of divergent stakeholder interests and expectations. A mismatch of social expectations and organizations’ activities can often be observed during the initial phases of institutionalization or de-institutionalization processes. Berger and Luckmann (1967) also refer to the outstanding role of language in such processes. For them, the mobilization of legitimacy is essentially a social and discursive process (for details, see below; see also Meyer & Rowan, 1977; Suchman, 1995; Lounsbury & Glynn, 2001; Phillips et al., 2004, among others): Organizational actors must present “accounts” (Scott & Lyman, 1970: 93)65 to justify and

63 See also Scott (2008: 59-62), who refers to (bases of) legitimacy within the “three pillars of institutions” model.

64 See also the remarks on the business case for CSR in the previous chapter.

65 For an overview, see Meyer (2004); for empirical studies, see the work of Elsbach and colleagues (Elsbach & Sutton, 1992; Elsbach, 1994; Elsbach et al., 1998), Lamertz and Baum (1998), or Creed, Scully, and Austin (2002), among others.
explain deviant behavior and activities. With increasing institutionalization, however, such justifications become standardized and included in the theorization of an institutional concept, practice, or form: It is in this sense that Zucker (1977: 728) notes that “when acts have ready-made accounts […], they are institutionalized”.

3.3.5 Processes of institutionalization and deinstitutionalization

Institutional theories had been, in their early days, more concerned with institutions and their central character of reducing uncertainty by establishing stability and continuity (see also Berger & Luckmann, 1967). Per definitionem – and this feature is common to the divergent definitions of institutions – this implies relative duration and relative order (e.g., Walgenbach & Meyer, 2008). However, critique has reproached organizational institutionalism for its tendency to investigate effects and outcomes of institutionalization rather than the very processes of institutionalization (DiMaggio, 1988; Powell, 1988; Brint & Karabel, 1991; Powell, 1991; Zucker, 1991; Hirsch & Lounsbury, 1997; Kondra & Hinings, 1998; Beckert, 1999, among others). Consequently, more recent publications (particularly those from the 1990s and early 2000s) have established a new line of research focusing on processes of institutionalization and deinstitutionalization (e.g., Tolbert & Zucker, 1996) and thus on various forms of institutional change (e.g., Greenwood & Hinings, 1996; Clemens & Cook, 1999; Greenwood et al., 2002; Kraatz & Moore, 2002; Amis et al., 2004; Campbell, 2004; Streeck & Thelen, 2005; Greenwood & Hinings, 2006; Schneiberg, 2007). Such changes in the institutional framework can be caused either by exogenous or endogenous factors (for an overview, see Campbell, 2004; Scott, 2008, among others).

The most significant attempt to conceptualize the process of institutionalization is summarized by Tolbert and Zucker (1996; see Table 2 below) and is reflected in a myriad of studies testing the so-called two-stage institutional model of diffusion (e.g., Baron, Dobbin, & Jennings, 1986; Fligstein, 1991; Westphal et al., 1997; Dobbin & Sutton, 1998). This perspective focuses on a two-stage process with early adopters of a specific practice driven more by technical and economic considerations, while late adopters tend to “imitate each other in a contagion-like process that is decoupled from rational calculation” (Lounsbury, 2007: 289).
Taking into account the ambiguities surrounding the definition and conceptual identity of CSR, as well as first impressions of the empirical data from Austria, characteristics of a semi-institutionalized stage (i.e., an institutionalization “in the making”) in the late 1990s and early 2000s can be observed. During this phase of objectivation, and in order for the innovative practice to gain legitimacy and be successfully established, adopters and advocates must provide a convincing theorization of both the problem tackled and the solution proposed (e.g., Strang & Meyer, 1993; Greenwood et al., 2002). This rather high degree of theorization activity goes hand in hand, according to Tolbert and Zucker (1996), with a more heterogeneous group of adopters and a change from imitation toward a normative impetus for diffusion.

Despite the model’s “triple significance in institutional theory” (for details, see Scott, 2008: 132), the depiction of late adopters as passive and “a-rational” provides a limiting conceptualization (Strang & Macy, 2001; Lounsbury, 2007), “reinforcing the misguided notion that neoinstitutionalism is a theory of isomorphism and stability” (Lounsbury, 2007: 289, with reference to Hirsch & Lounsbury, 1997). As a consequence, the classic model of institutionalization has faced fundamental criticism and has recently been enhanced by rethinking the role of motivations in the diffusion of practices. Kennedy and Fiss (2009: 914), in their study on TQM adoption and implementation, argue that logics of efficiency and legitimacy might be more compatible than has been generally assumed in previous work: “Both legitimacy and efficiency factor into the moves of both early and later adopters – that is, wanting to look good does not preclude wanting to do well.” For no other debate than the one on CSR could these words be more appropriate.
3.4 Theorization as a prerequisite for institutionalization

A mainstream line of empirical research in the domain of organizational institutionalism has dealt with processes of diffusion of practices and forms into new fields. According to Rogers (1995: 5), diffusion is “the process by which an innovation is communicated through certain channels over time among the members of a social system”. However, grasping diffusion simply as a “spread of something within a social system” (Strang & Soule, 1998: 266) leaves an essential question unanswered: What is it that is actually disseminating? Hence, a number of institutional and social movement scholars have pointed out that one must to understand how social consensus is built around the meaning of practices before one can go about understanding the ways they spread (Jennings & Zandbergen, 1995; Sahlin-Andersson, 1996; Benford & Snow, 2000; Meyer, 2004, among others; see below for more). At its very core, institutional research has only little to say about how practices become imbued with meaning (Bartley, 2004). Research on framing activity (e.g., Benford & Snow, 2000) and “field frames” (e.g., Lounsbury, Ventresca, & Hirsch, 2003), however, highlights ways in which practices take on more abstract meanings and connotations, and how these develop over time.

Before new practices or forms are likely to diffuse beyond the confines of local contexts, they must be given broader cultural significance, such as a set of meanings about what they are good for and where else they might be appropriate (Clemens, 1997; Bartley, 2004). Strang and Soule (1998; see also Sahlin-Andersson, 1996) argue that, rather than practices, specific framings of practices are imitated and therefore diffuse; or, in the words of Strang and Meyer (1993: 499),

“[…] what flows is not a copy of some practice existing elsewhere […] , it is the theoretical model that is likely to flow. Such models are neither complete nor unbiased depictions of existing practices. Instead, actual practices are interpreted as partial, flawed, or corrupt implementations of theorized ones.”

In organizational institutionalism, such “strategy for making sense of the world” (Strang & Meyer, 1993: 493) is commonly referred to as theorization. Successful theorization basically requires two steps in order for a practice to achieve moral or pragmatic legitimacy: First, a generic definition of an organizational problem or organizational failing must be created; second, it must be made apparent as to how a particular, abstract solution will remedy the previously specified problem (Strang & Meyer, 1993; Greenwood et al., 2002).

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66 Bartley (2004) notes that, despite the fact that successful theorization is a precondition for the diffusion process – it enables and accelerates diffusion –, the concept of theorization has not received nearly as much attention as have the dynamics of diffusion.

67 Note the link to “diagnostic”, “prognostic”, and “motivational framing” in social movement literature (e.g., Snow & Benford, 1988).
Building on the understanding of accounts as justification provided for unan-
ticipated activities that “are likely to be routinized within cultures” (Scott & Lyman, 1968: 52), Strang and Meyer (1993) argue that established or habitualized social practices are accompanied by theorized, ready-made accounts actors may use to explicate reasons for their conduct. Such routinization of accounts is essentially part of the theorization of a practice and goes hand in hand with an increasing degree of institutionalization (e.g., Tolbert & Zucker, 1996; Strang & Soule, 1998). For Berger and Luckmann (1967: 54),

“[…] institutionalization occurs whenever there is a reciprocal typification of habitualized actions by types of actors. Put differently, any such typification is an institution. What must be stressed is the reciprocity of institutional typifications and the typicality of not only the actions but also the actors in institutions. […] The institution itself typifies individual actors as well as individual actions.”

Any theorization of a practice, defined as the “self-conscious development and specification of abstract categories and the formulation of patterned relationships such as chains of cause and effect” (Strang & Meyer, 1993: 492), essentially contains such abstract typification of adopters and actions involved, as well as of suggested effects of the practice. Hence, the theorization of a practice implies the construction of cultural categories of actors –as either the subject or the object of the theorized practice – as well as of actions that directly or indirectly link these categories.68 Theorization, however, is not only significant by means of social construction of actors and actions involved in a specific practice: As a discursive process, theorization in itself is an essential part of the diffusion mechanism; the higher the degree of abstraction and theorization, the more rapid the diffusion and the less dependent on relational networks. As Strang and Meyer (1993: 498-499) conclude,

“[…] the very aim and character of theories means that they are less tied to concrete actors than are the practices they describe. Where potential adopters internally reproduce and act on the basis of the theoretical model, we might describe theorization itself as the diffusion mechanism.”

For the study at hand, the analytical concept of theorization is highly relevant: The very same practice – CSR – is spreading based on rather different theorizations and their underlying logics. For instance, an economic logic supports a business case for CSR, while a moral case is suggested by theories more closely linked to the realm of ethics. Yet diversity exists within such logics as well: For example, within an

68 It is important to hold that not only the categorization of potential adopters affects diffusion, but also the social categorization of other social entities and actors influencing or being influenced by the diffusing practice. In the case of organizations, “standardized categories make it plausible […] to provide recipes for successful management” (Strang & Meyer, 1993: 491).
economic logic, a neoliberal framing of market primacy, a primacy of politics and public interest, or a primacy of ownership is conceivable. While the consequences of divergent diagnostic framings are rather minor for actual practice, they are essential for legitimation and rationale: Corporations may basically do the same things, but they do those things based on very different motives (see chapter on CSR for more).

3.5 Adaptation, translation, and bricolage in local contexts

Several scholars emphasize the “structural and cultural bases of diffusion” (Strang & Soule, 1998: 266) as well as the assignment of cultural meaning to diffusing practices. Meaning – the term refers to interpretations, understandings, and shared beliefs that are produced and processed through social action (Zilber, 2002, 2008) – does not reside somewhere “out there” but is instead socially constructed (Berger & Luckmann, 1967). Consequently, several authors stress that objects imbued with cultural meaning cannot spread wholesale or be imported “ready-to-wear” but must be interpreted, adapted, and related to existing legitimating accounts for a specific local setting (Elsbach, 1994; Benford & Snow, 2000; Lounsbury & Glynn, 2001; Creed et al., 2002, among others). In a similar vein, Meyer (2004) empirically shows that even if ideas are globally available, regarded as modern, and have been theorized to a high degree in their native context (see Meyer, 2002), they nonetheless need to pass through a powerful filter of local structural and cultural constraints in order to become legitimate in other contexts.

With regard to the dissemination of organizational practices it is important to note that interpretation must be done in an active manner by the actors and social entities involved (Benford & Snow, 2000): “Unlike infection, however, ‘the object’ of the diffusion cannot spread by itself – it must be actively adopted by some actor or other” (Brunsson, 1989: 262). Therefore, on their path of diffusion and during adoption, practices and concepts are also subject to interpretation and modification. Building on Latour’s (1986) earlier work, Czarniawska and Joerges (1996) suggest the metaphor of “translation” for this “travel of ideas” and the process of disseminating practices and structures across organizations; this notion clearly alludes to transformation and reshaping in a specific empirical context. Sahlin-Andersson (1996: 78; see also Sahlin & Wedlin, 2008) refers to such translation as editing processes and argues that most organizations actually imitate rationalizations (rather than practices and structures): “These are “stories constructed by actors in the ‘exemplary’ organization, and their own translation of such stories. The distance between the supposed source of the model […] and the imitating organization forms a space for translating, filling in and interpreting the model in various ways.”
Campbell (2004) highlights path-dependency and the fact that diffusing practices usually meet a structured field with a variety of already existing and institutionalized concepts, practices, and forms. He suggests that institutional change can be thought of as either (a) “bricolage” or (b) translation. Bricolage is the mere recombination of existing and locally given institutional elements (Campbell, 2004: 67; see also Streeck & Thelen, 2005; Scott, 2008):

“Institutions provide a repertoire of already existing institutional principles and practices that actors can use to innovate. The key is to recognize that actors often craft new institutional solutions by combining elements in their repertoire through an innovative process of bricolage whereby new institutions differ from but resemble old ones.”

While “substantive bricolage” follows a “logic of instrumentality” in order to solve coordination problems, “symbolic bricolage” involves a “logic of appropriateness” – much akin to framing activities in translation (Walgenbach & Meyer, 2008) – so as to create acceptance and legitimacy within the broader social environment (Campbell 2004: 69-70, quoting March & Olsen, 1989).

On the other hand, as Campbell (2004: 80) points out, translation always entails a combination of new ideas and preexisting institutional elements:

“New ideas […], therefore, are translated into local practice in varying degrees and in ways that involve a process very similar to bricolage. The difference is that translation involves the combination of new externally given elements received through diffusion as well as old locally given ones inherited from the past.”

Much in line with these arguments, a considerable number of publications (e.g., Lounsbury, 2001; Kraatz & Moore, 2002; Maguire, Hardy, & Lawrence, 2004; Marquis, Glynn, & Davis, 2007; Marquis & Lounsbury, 2007) has recently pointed to a new direction of institutional research that focuses less on isomorphic diffusion and more on practice variation and on the “heterogeneity of actors and activities that underlie apparent conformity” (Lounsbury, 2007: 289). This implies the need to conceptualize institutional environments as more fragmented, contested, and influenced by multiple and competing logics (e.g., Schneiberg & Soule, 2005; Lounsbury, 2007; Schneiberg, 2007; Meyer & Höllerer, 2009; Reay & Hinings, 2009), necessarily redirecting the study of institutional diffusion toward the translation of symbolic systems of meaning (e.g., Czarniawska & Sevón, 1996; Sahlin-Andersson & Engwall, 2002b; Sahlin & Wedlin, 2008; Zilber, 2008).

### 3.6 Theorization activity across various levels

Before I conclude this chapter with some summarizing remarks that highlight the discursive dimension of all processes of institutionalization, I wish to stress three aspects that have hitherto drawn little attention in research inspired by organiza-
Organizational institutionalism: First, the theorization of concepts, practices, and forms does not only depend on abstract typification by *legitimated theorists* (e.g., Tolbert & Zucker, 1996), but essentially builds on sense-giving and categorization by other actors at micro level, and thus on an active interpretation and (re-)construction of meaning by the *actual adopters* during translation into, and enactment in, local contexts (see also, e.g., Hardy & Maguire, 2008). Berger and Luckmann (1967) have already emphasized that it is – analytically – possible to distinguish between several different levels of legitimation of practices. Especially the first three levels, as well as their dynamic interplay, are relevant against the backdrop of my study:

> "Incipient legitimation is present as soon as a system of linguistic objectifications of human experience is transmitted [...]. The fundamental legitimating ‘explanations’ are, so to speak, built into the vocabulary [...] . This level, of course, is pretheoretical. But it is the foundation of self-evident ‘knowledge’ on which all subsequent theories must rest – and, conversely, which they must attain if they are to become incorporated in tradition [...]. The second level of legitimation contains theoretical propositions in a rudimentary form. Here may be found various explanatory schemes relating sets of objective meanings. These schemes are highly pragmatic, directly related to concrete actions [...]. The third level of legitimation contains explicit theories by which an institutional sector is legitimated in terms of a differentiated body of knowledge. Such legitimations provide fairly comprehensive frames of reference for the respective sectors of institutionalized conduct. Because of their complexity and differentiation, they are frequently entrusted to specialized personnel who transmit them through formalized initiation channels" (Berger & Luckmann, 1967: 94-95).

While prior studies have stressed, in particular, the role of legitimated theorists (i.e., the third level of legitimation), my research emphasizes the largely neglected first and second levels, which are more concerned with the actual adopters of a concept, practice, or form.

Second, theorization is an ongoing, never-ending process that does not only occur *ex ante* (i.e., prior to diffusion) or *during* diffusion (e.g., Tolbert & Zucker, 1996; see also Table 2), but also to a considerable extent *ex post* – and at local level. Even in cases when practices are widely institutionalized and their theorization is taken-for-granted, they nonetheless must constantly prove themselves against exogenous events and challenges. In order to maintain the “empirical credibility” (e.g., Snow & Benford, 1988) of a theorization – i.e., its fit with real-world events –, it is in need of constant adaptation and alignment to local contexts; it should be easily related to experiences of the adopters or audience.

Third, I argue that theorization might take place simultaneously at various – not necessarily always clearly hierarchically organized – levels. Broadly speaking, these levels are a more or less global level, a local (field or organizational) level, and an individual level. They are not isolated from each other, but are in a constant state of mutual influence. I suggest the notion of *repercussion* to account for such effects, particularly for effects of local theorizing on the more global forms. I will elaborate on these three points in greater detail below.
3.6.1 Micro-level categorization and sense-giving

Strang and Meyer (1993: 493) point out that theorizing as a “strategy for making sense of the world” is, as such, “employed in individual-specific ways by the potential adopters themselves”. In this sense, they hold that individual theorizing matters. Yet they also argue that these

“[…] forms of ‘bottom up’ theorizing should impact diffusion, but in rather local ways. Individual-specific theories affect the individual’s adoption patterns, but not those of other adopters. Shared understandings […] may homogenize the actors involved, but not larger populations. Ideas about adopter-level theorizing thus provide a mechanism motivating arguments about the individual rationality of adoption.”

At the core of their influential article, Strang and Meyer (1993) criticize shortcomings of relational models of diffusion while highlighting cultural linkages and institutional conditions that avail further knowledge on the flow of social elements. In order to be able to explain broader diffusion and, hence, adoption, the authors shift their focus from “everyday theorizing” by actual adopters toward legitimated theorists: “Rather than stressing ubiquitous theorizing by potential adopters, we emphasize globally available models imported into local situations” (Strang & Meyer, 1993: 494). The mainstream of institutional literature on diffusion (see above) has picked up this argument: Academia and scientists, intellectuals, policy analysts, think tanks, professions, and a wide variety of other “knowledge entrepreneurs” like consultants and media (for an overview, see Abrahamson, 1996; Kieser, 1997; Abrahamson & Fairchild, 1999, among others) produce complex and highly integrated theorizations. These groups are, unlike actual adopters, “free of pressing needs to apply their theories to concrete problems, which increases not only foolishness but also abstraction” (Strang & Meyer, 1993: 494).

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69 Theorization necessarily and essentially entails the construction of social categories – it is the “self-conscious development and specification of abstract categories and the formulation of patterned relationships” (Strang & Meyer, 1993: 492). Categories developed in individual-specific theorization, however, go beyond the individual actor: They are culturally informed, mirror broader meaning structures within the field – and possibly become institutionalized at field level. As Spector and Kitsuse (1977: 72) note, “if the subject matter is definitions of social problems, then it is definitions that are socially processed. In this sense, we can say that definitions have careers, one aspect of which is their institutionalization as official categories”.

70 As Strang and Meyer (1993; see also Tolbert & Zucker, 1996; Greenwood et al., 2002) note, an idea or concept must be presented in a way that can persuade an audience that it is more appropriate to tackle social problems or meet needs than do existing ones. Unless an idea or concept is adequately theorized – essentially by means of the typification of problem, solution, adopters, core practices, etc. – and regarded as legitimate, it is unlikely to be widely adopted by an audience.
Such emphasis on knowledge entrepreneurs leaves various questions unanswered (see Strang & Meyer, 1993: 508-509, Footnote 27). In particular, the complex relationship between individual theorizing and collective theorization as well as the mobilization of legitimacy remain vague and underexplored.⁷¹ Also, there seems to be a discontinuity between the diffusion of theorized practices at a more global level and micro-level sense-making activities in a twofold way: First, at the pre-diffusion stage, how is theorization by legitimated theorists linked to bottom-up theorization by actual adopters? Theories on innovative practices and concepts usually do not emerge out of the blue; fundamentally, they are built on acknowledged problems - and on practical solutions. Further, “if bottom-up theorization should impact adoption patterns in a localized manner then how does this process of theorizing fit into our overall understanding of the theorization process?” (Gondo & Amis, 2007: 8)? Second, what is the role of actual adopters in a post-diffusion stage with regard to the theorization of concepts, practices, and forms? While a more general typification (and matching) of adopters and practices is a condition sine qua non for diffusion (e.g., Strang & Meyer, 1993), a more fine-grained categorization of core activities and social entities involved (e.g., addressees of a concept or practice) will only be possible during enactment and translation in specific empirical contexts. Also, the translation of imported concepts, practices, and forms – editing and modification – cannot be accomplished by knowledge entrepreneurs alone but also relies on actual adopters rationalizing their behavior and practice: The ongoing adaptation and further development is only possible through the constant theorization in the local context by the social entities involved. Local actors will pick up on the theorizations offered by knowledge entrepreneurs, but they will modify and adapt these theorizations, just as they remodel the practices. A theorization must therefore be “baptized by fire”: The chances of readjustment and modification of the overall theorization nevertheless remain fairly high.⁷²

### 3.6.2 Theorization as an ongoing process

At this point, it is also necessary to question the role assigned to theorization in standard models of institutionalization (e.g., Tolbert & Zucker, 1996) when applied to empirical research: While it goes unchallenged that the most crucial phase of

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⁷¹ Strang and Meyer (1993: 495) also note that “diffusion obviously requires support from other kinds of actors as well: state authorities, large corporate actors, grassroots activists. In some way, models must make the transition from theoretical formulation to socials movement to institutional imperative.”

⁷² Examples of frame alignment and amplification are plentiful (see Snow, Rochford, Worden, & Benford, 1986; Benford & Snow, 2000, among others). For example, many managerial practices originally crafted for private business management have been translated into public sector organizations; in reverse, their theorization has been altered to a considerable degree.
Organizational institutionalism
theorization activity occurs in a semi-institutionalized stage prior to broad diffusion, I argued above that in many cases individualized and fragmentary theorization already happens before knowledge entrepreneurs and legitimated theorists even adopt an idea or concept. In most cases, new organizational practices and forms must also be argued for, justified, explained, and linked to existing ones as well as to their underlying theories (Campbell, 2004). Moreover, for legitimacy reasons, adopters that champion innovative practices and forms need to put effort into convincing others that these are relevant, effective, and appropriate. As specific solutions to specific problems, they need the “aura” of rational action and thus also need to be rationalized by their early adopters. One might even propose that the “quality” of ex ante theorization is essentially linked to the degree of individual-specific theorizing.

Yet theorizing is also essential during and after diffusion, when ideas are locally enacted. It seems important to note that the translation and diffusion of practices are accompanied and followed by what I refer to as ex post theorizations: Contextualized categories, their deviation from the original theorization, or freshly integrated elements stemming more from local contexts are once again directed toward abstraction and reshape the original theorization when aggregated at field level. Theorization is necessary even in a full-institutionalization stage: With increasing institutionalization, justifications decline (see Green, 2004); nonetheless, theorization is further developed in residual discourse with actual adopters playing a decisive role. While taken-for-granted concepts, practices, and forms do not need extensive backing from theorists at the global level, a certain degree of “maintenance work” is necessary at a more local one for the purpose of holding up a concept’s empirical credibility. To a lesser extent than in phases of growth, concepts and ideas are in need of support and extensive theorization when it comes to phases of saturation and decline. Moreover, the abandonment of a practice must be argued appropriately. At a more general level, concepts, practices, and forms must be defended in light of newly emerging ones or against a change in the broader institutional environment; adopters and advocates will usually explain and give accounts as to why they retain, modify, or abandon established concepts, practices, and forms. Thus, I suggest thinking of theorization as an ongoing and never-ending process throughout the entire “life cycle” of an idea.

73 In the two-stage model of diffusion, however, it remains unclear as to which theorization early adopters of a practice draw on.
74 In very extreme cases, only local elements are at play: A globally diffusing practice might not be implemented at all, but rather initiate a recombination of already existing elements (see also Campbell, 2004, and remarks on bricolage above).
3.6.3 Repercussion

While these considerations per se are not entirely new and to some extent addressed by literature on translation, organizational institutionalism research to date has largely neglected the effects of ex post theorization (i.e., especially the “echo” of various local variants at field-level or global theorization). Little attention has also been paid to the fact that theorization might take place simultaneously at various levels that are not isolated from each other, but are in a constant state of mutual influence. In order to conceptually account for such effects that could potentially alter the “master theorization” of a concept, practice, or form, I suggest making use of the notion of repercussion.

I argue that theorization is a dynamic and circular process that involves active adopters: Early adopters act as innovators and are on the forefront of theorizing; knowledge entrepreneurs at field or global level integrate these early framings and elements in their own abstract model and theorization of a practice. Once equipped with an abstract theory, ideas may spread on a more or less global scale. During this travel of ideas (Czarniawska & Joerges, 1996; Czarniawska & Sevón, 2005), practices and their theorizations are constantly adapted in divergent local contexts. It is important to note that “local” has a twofold meaning here: the local field level (like the continental European or Austrian cultural field, for instance) and the local organizational level (such as the individual corporation). During all these processes of modification, framing activity and readjusting theorization remain crucial (see also Meyer & Höllerer, 2010). At this point, I wish to propose that all levels are in a constant state of mutual influence. For instance, a field-level theorization is – in addition to the meaningful contributions on the part of field-level actors and knowledge entrepreneurs – as much influenced by more local (in the words of Strang and Meyer [1993]: bottom-up) theorizations by local adopters as it is shaped by more global (top-down) ones. In this way, theorization does not simply occur

75 For instance, one might think of innovative conceptions of management accounting practices in public sector organizations (e.g., new key performance indicators or controlling instruments) that – often with very local origins and through distinct bottom-up rationalization/theorization – gradually change field-level practices and their theorization; notwithstanding, the more global and institutionalized practice of management accounting, at its core, has never been questioned. Another example is Kelly and Dobbin’s (1998) work on employers’ responses to antidiscrimination law. Finally, for the subject of my empirical study it might be interesting to see how the encounter of the Anglo-American management concept of explicit CSR (which can be regarded as an institutionalized practice in its native setting) and the continental European tradition of more implicit CSR will reshape the global notion of CSR in the long run.

76 The term alludes to processes in which meaning is (re-)negotiated and theorizations are altered. The field (i.e., meso level) here serves as a Resonanzraum – as a broker/mediator between the different levels and aggregates of theorizations: On the one hand, a lowest common denominator is needed for the more local, individual variants; on the other, field-level theorizations never develop in isolation, but are linked to more global theorizations.
exclusively top-down or bottom-up, but is indeed a complex process involving theorization activity across various levels (see Figure 7).

Such an approach accounts for the mutual influence of theorization activity across various levels, and especially for the phenomenon of repercussion – both from a local (organizational) level to the field level, and from a local (field) level to the global level. Put differently: If more local variants of a concept (including related scripts and ceremonies) with deviating theorizations exist, what implications does this have for the master theorization? And how is an institution that is represented – due to translation – by a variety of forms further developed, whetted, and adjusted over time without losing its “identity”? What are the mechanisms that hold together such variety as a kind of “umbrella”? Knowing that practice variation exists, one must investigate how divergent local meanings impact a globally available concept. Meyer and Höllerer (2010) stress a general point with regard to translation studies and questions of isomorphism or heterogeneity in organizational fields: With the multiplicity of labels used to denote an idea and the heterogeneity of framings and meanings attached, how does one recognize that he or she is...
analyzing variations of the very same theme? “How long can we think of a concept as transformed or translated, and when is it to be regarded as ‘different’ altogether? What characteristics constitute ‘family resemblance’, what is the genotype of an institution that is held constant during all the transformations” (Meyer & Höllerer, 2010)?

3.7 Exploring the discursive dimension

In sum, this chapter briefly introduced and outlined the conceptual approaches and theoretical perspectives within organizational institutionalism that are most central to my study. I also presented some potential extensions that might be helpful to discuss emerging issues like the one studied here, including the role and significance of activities at local level: Mainstream organizational literature often refers to local settings at organizational level (for instance, when empirically investigating translation). However, and as, for instance, Meyer (2004) has shown for the translation of shareholder value “into Austrian”, the diffusion, negotiation of meaning, and editing of global ideas sometimes takes place primarily at local field level, with discrete field-level variants of the spreading practice being critical as well.

I have noted that processes of institutionalization require legitimacy (and thus extensive theorization) of a concept, practice, or form to establish themselves in a specific local context. Legitimation – i.e., the mobilization and management of legitimacy – and theorization rest on communication and are therefore essentially discursive processes (Berger & Luckmann, 1967; Suchman, 1995; Luckmann, 2002). A number of scholars in the domain of organizational institutionalism have highlighted the role of such linguistic or communicative processes: organizational vocabulary (e.g., Meyer & Rowan, 1977), rhetoric and meaning (e.g., Zilber, 2002, 2006), storytelling (e.g., Lounsbury & Glynn, 2001), rhetorical strategies (e.g., Suddaby & Greenwood, 2005), and framing activities (e.g., Meyer, 2004; Fiss & Zajac, 2006; Kaplan, 2008; Meyer & Höllerer, 2010).

In a similar vein, Luckmann (2006) argues that the human social world is mainly constructed in communicative interaction: As communicative actions become institutionalized like any other form of social action, this requires “examining the formats in which it is produced – the communicative genres” (Meyer, 2008: 531). One of these genres – corporate annual reports – is the subject of my empirical research on the ongoing institutionalization of CSR. I will follow earlier

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77 Although more concerned with the perspective of adopters (and other key actors) involved in the diffusion process, Ansari at al. (2010: 86) point to the very same “intriguing questions regarding the identity of a diffusing practice” and the scarce research existing in this area to date: “If corporate practices are frequently adapted, at what point do they become a different entity and should no longer be thought of as the same practice?”
work that has outlined central methodological implications (Meyer, 2004) and will highlight the crucial role of communicative practices, starting from the assumption that institution-building processes may be analyzed by tracking discursive traces of theorization activity, modification of meaning, and mobilization of legitimacy.