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INSTITUTIONAL STUDIES ON THE EMERGENCE OF NEW ORGANIZATIONAL FORMS: A QUALITATIVE META-ANALYSIS

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Abstract. *This study explores the distinctive patterns within the institutionalization process of new organizational forms. I argue that the drawing on main tensions of institutional theory is the most useful approach to understanding the emergence of new organizational forms. I suggest some key propositions condensing these tensions into the three substantive questions: Where do institutions come from and whither they go? Who constructs institutions? Is there such thing as 'new institution'? Evaluating suggested propositions by the qualitative meta-analysis of 25 scholarly published case studies, I offer a novel qualitative research approach for analyzing existing qualitative studies, and develop a theoretical model for the emergence of new organizational forms in which individual innovator institutional entrepreneurs construct new organizational forms via institutional works. This pattern follows a bottom-up and supply-side sequential institutionalization process, starting from the construction of a practice in the form of proto-institution and continuing with the emergence of new organizational form as an institution.*

Institutionalization processes have been typically identified as certain stages like innovation, diffusion, legitimation, and deinstitutionalization (Lawrence, Winn & Jennings, 2001); and certain levels like micro, meso and macro (Scott, 1994). Most of institutional research interested in latter stages rather than first stage, and are conducted at intra and inter organizational, rather than organizational levels (Greenwood et. al. 2008; Scott, 2008). Several organizational level studies analyzed institutionalization processes solely as the organizational responses to larger institutional structures (Strang & Sine, 2002). Yet, the emergence[*] of new organizational

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[*] It is not easy to choose a word to explain the first stage of the institutionalization process of new organizational forms. While *rise*, *arise* or *birth* are a bit objective terms; *establish*, *found*, *build*, *form* or *create* are much more subjective; *construct* or *emergence* are interstitial; and *become*, *origin* or *existence* are neutral selections. Preferring one term over another implies a paradigmatic stand. I sometimes use the neutral terms and mostly prefer the *construction* or *emergence* of organizations since these interstitial terms are more appropriate for the neo-institutional perspective.

forms remained a neglected area in institutional studies. This study focuses on the first stage of institutionalization process as emergence, and on the meso-organizational level as new organizational forms to explore the distinctive patterns of institutionalization.

The silence of neo-institutional theory in explaining institutional emergence (Stinchcombe, 1997) has been mostly associated with actor-less point of view (DiMaggio, 1988). After the introduction of *institutional entrepreneur* concept by DiMaggio (1988), many substantive researches targeted to fill this gap (see Battilana, Leca & Boxenbaum (2009) for a comprehensive review). Institutional entrepreneurs are defined as individuals or organizations in the form of states, professions, associations, elites, networks, and social movements (Scott, 2008; Hardy & Maguire, 2008) who leverage resources to construct new or to transform existing institutions (Maguire, Hardy & Lawrence, 2004) in the form of practices, organizations and fields. Recently, *institutional work* is offered as an underpinning concept to define the purposive action of institutional entrepreneurs "aimed at creating, maintaining and disrupting institutions" (Lawrence & Suddaby, 2006: 215). Even though the institutional work literature is promising for future research on institutional construction (Lawrence, Suddaby & Leca, 2009), the emphasis is still on the transforming endeavors of institutional entrepreneurs (Battilana, Leca & Boxenbaum, 2009). This lack of interest in emergence of institutions could also be related with the difficulty of recognizing an institution while emerging, and collecting viable data about the micro-processes of institutionalization (Barley & Tolbert, 1996), which indicates a need for more theoretical and empirical works on pre-institutionalized and semi-institutionalized stages of institutions (Tolbert & Zucker, 1996).

However, the lack of interest in institutional emergence is not entirely monolithic in terms of institutionalization levels. It's organizational-level emergence which stayed untouched comparing with the substantial works on the emergence of intra-organizational practices (Powell & Colyvas, 2008; Lounsburry & Crumley, 2007; Reay, Golden-Biddle & Germann, 2006) or inter-organizational fields (Djelic & Quack, 2008; Maguire, Hardy & Lawrence, 2004; Garud, Jain & Kumaraswamy, 2002; Lounsburry, Ventresca & Hirsch, 2003). This neglect could be associated with different perspectives

that arise from the main tensions of institutional theory such as old-new, macro-micro, actor-environment and institutionalization-deinstitutionalization (Greenwood, Oliver, Sahlin & Suddaby, 2008). There are too many institutions, actors, perspectives, institutionalization levels and stages. Elaborating these essential debates over the particular stage and level of institutionalization can advance our understanding of institutional emergence and can contribute the institutional studies by responding the calls on examining emergence patterns of new organizational forms (Romanelli, 1991; Daft & Lewin, 1993; Suddaby & Greenwood, 2005; Greenwood & Suddaby, 2006), separating institutional construction from institutional reproduction (Greenwood et. al. 2008), and bringing organizations back in to institutional studies (Kraatz & Block, 2008; Kraatz, 2009).

To answer these calls, this study addresses a particular stage and level of institutionalization process: the emergence of new organizational forms. New organizational forms emerge in tandem with new institutions (Rao ve Singh, 1999), and the evolution and development of societies depends on the emergence of new organizational forms (Hannan & Freeman, 1989; Ingram, 1998). Although most of institutional research is carried out by studies on the various forms of organizations, there are a few theoretical (Romanelli, 1991; Halett & Ventresca, 2006; Rao & Kenney, 2008) and empirical works (Holm, 1995; Ruef, 2000; Greenwood & Suddaby, 2006) on the emergence of new organizational forms which solely revealed the nested and contradictory nature of the process and poorly elaborated the institutionalization patterns of new organizational forms. This mission seems to be left to strategy and entrepreneurship research.

Traditional entrepreneurship research mostly examined the process of organizational emergence in terms of founding steps of organizations, characteristics of entrepreneurs, and the properties of new enterprise (Carter, Gartner & Reynolds, 2010). They often dealt with the organizational emergence in terms of "new venture creation" (Timmons and Spinelli, 2003) and a new venture does not represent a new organizational form in every case. Their relatively long emergence period, intertwined structure with the existing forms, and the ambiguities in the definition of term (Greenwood & Suddaby, 2006) make it difficult to analyze the emergence of new organizational forms thoroughly.

The purpose of this study is to propose a theoretical model explaining the distinctive patterns in the institutionalization process of new organizational forms based on institutional studies on the issue. I argue that the emergence of new organizational forms should be examined as an institutionalization process. This process could be easily understood through the investigation of institutional works of institutional entrepreneurs within the frameworks of main perspectives in institutionalization debates. I condense these perspectives into the three substantive questions and develop some key propositions to be evaluated. Table 1 show key questions associated with the main perspectives of institutional theory under the dichotomized titles.

To evaluate the suggested propositions, I offer the *qualitative meta-analysis* as a new research approach to organizational research. Although there are substantial examples of similar research approaches for qualitative analysis of qualitative studies in other social sciences like education and health management (Noblit & Hare, 1988; Patterson, Thorne, Canam & Jillings, 2001; Major & Savin-Baden, 2010) and for quantitative analysis of qualitative studies in organizational research (Larsson, 1993; Larsson &Finkelstein, 1999); qualitative-meta analysis is a novel approach for organizational studies, especially for cross-case analyses.

TABLE 1
Key Questions and Perspectives of Institutional Emergence

Main Questions	Main Perspectives of Institutional Emergence
Where Do Institutions Come From and Whither They Go?	Top-down vs. bottom-up institutionalization Demand vs. supply-side institutionalization
	Parallel vs. sequential institutionalization
Who Constructs Institutions?	Entrepreneurs vs. institutional entrepreneurs
	Collective vs. individual actors
Is There Such Thing as New Institution?	Institutional change vs. institutional construction Full-institutions vs. proto-institutions Imitator entrepreneurship vs. innovator entrepreneurship

The findings point out a substantial distinctive pattern in the emergence of new organizational forms. According to this pattern, individual innovator institutional entrepreneurs construct new organizational forms via institutional works, following a

bottom-up and supply-side direction of institutionalization starting from the construction of a practice in the form of proto-institution and continuing with the emergence of new organizational form as an institution.

The remainder of the paper is organized as follows. I begin with the brief presentation of the basic concepts and assumptions of the study. Then, I develop some key propositions to reveal possible patterns for the emergence of new organizational forms by concisely discussing the main perspectives of institutionalization. Finally, I evaluate my propositions through the qualitative meta-analysis of 25 case studies compiled from the published articles on the issue. Paper concludes with the discussion of findings and contributions.

ORGANIZATIONS AS INSTITUTIONS

One of the main arguments of this paper is to take the emergence of new organizational forms as an institutionalization process. Certainly, this brings a more essential question to mind: Are organizations institutions? The answer of this question is very important as the rest of the study grounds on this assumption: organizations are institutions, at least, in terms of organizational forms. Institutional studies start to analyze the emergence of new organizational forms by conceding this assumption explicitly or implicitly. Accordingly, I start by discussing the institutionalization of new organizational forms with this underlying question and present the basic concepts of the study.

The relationships between institutions and organizations can be explained through Scott's (2003, 2008) 'three pillars': regulative, normative and cultural-cognitive. According to economic historian North (1990), institutions are regulations like rules of the game and organizations act as the players. According to neo-institutional economist Williamson (1975, 1985) and old institutionalist Selznick (1957), organizations are normative institutions on their own, *somehow* institutionalized as structures and processes. This second explanation is very close to those new institutionalists' like Meyer (1994), Zucker (1983) and Dobbin (1994), who see organizations as institutions. But their focus is much more on *somehow* part of the process. They describe organizations as ongoing, never-ending and intertwined cultural-cognitive institutionalization process.

North revised his notion by elaborating that he interests primarily in "economic systems rather than internal functioning of individual organizations" and admits that "organizations themselves have internal players and systems of rules, and hence by implication organizations are a special type of institution" (Hodgson, 2006: 9-10). Indeed, "if institutions are the rules of the game that structure interaction, we should consider also a 'supergame', where the rules themselves are the object of competition" (Ingram, 1998: 258). Although Williamson and Selznick accept organizations as one kind of institutions, their approach presumes organizations as *out there* and doesn't say so much on their emergence. Nevertheless, economic institutions do not emerge automatically in response to economic needs (Granovetter, 1992) and they cannot be created merely by rational actors (DiMaggio & Powell, 1983; Meyer & Rowan, 1977). New institutionalist approach asserts that formal organizations emerge from the interaction of different interests, actors and institutions as "a packaged social technology, with accompanying rules and instructions" (Jepperson, 1991: 147), but need to be extended, because organizations themselves become institutions on the basis of their process and structure rather than outputs (Palmer & Biggart, 2002). Regarding these considerations, I argue that there is, at least, two ways for treating organizations as institutions: focusing on 'organizing' rather than 'organization' and taking 'organizational forms' into consideration rather than 'organizations'.

Organizing Activities as Institutionalization

What is an organization? This is one of the essential questions of organization studies. Highlighting the difficulty of defining the term, Leblebici and Salancik (1989) start their analyses with this question, and after reviewing commonly-used definitions of *organization* they indicate that "an organization is a kind of recurrent social relationship which is deliberately established between identifiable individuals for some specific purpose" (p. 302). This definition has significant similarities with the *practical action* (DiMaggio and Powell, 1991) conception of institution in neo-institutionalism.

Similarly, Scott's (2003) review on the definitions of *organization* from different paradigms demonstrates that rational perspectives view organizations as highly formalized *collectivities* oriented to the pursuit of specific goals; natural perspectives as

social systems, forged by consensus or conflict, seeking to survive; and open perspectives as *activities* involving coalitions of participants with varying interests embedded in wider environments (p. 27-30, italics added).

On the other hand, the common ground of all definitions of institution "connotes stable designs for chronically repeated activity sequences…*Institution* represents a social order or pattern that has attained a certain state or property; *institutionalization* denotes the process of such attainment" (Jepperson, 1991, p. 145, italics original). Since institutions are constructed through everyday activities of individuals at organization-level interactions, and organizations arise from these interactions (Zucker, 1987), we can examine the processes and activities of organizational emergence as institutionalization. Consequently, all these debates expose that organizations can be taken as institutions, by focusing to organizing (Weick, 1979) or organizational becoming (Tsoukas & Chia, 2002) activities as institutionalization process rather than organizations as accomplishments or granted entities (Lawrence, Suddaby & Leca, 2009; Fineman, Gabriel & Sims, 2010).

Organizational Forms as Institutions

There is no clear agreement on the definition of organizational forms. In general terms, an organizational form indicates certain characteristics or elements of an organization which bring it together with some organizations and demarcate from the others at the same time. So many characteristics proposed to identify organizational forms like strategies, products and services, demographics, cultures, structures, power relations, governance arrangements, control systems, markets, goals, technology, environments, and participants (Romanelli, 1991; Scott, 1995; Rao & Singh, 1999). Different definitions of organizational forms emphasize "a set of rules that patterns social interaction between members, facilitates the appropriation of resources, and provides an internally and externally recognized identity for an organization" (Aldrich & Ruef, 2006: 114). These characteristics evoke the basic definition of institutions: "a rule-like social fact quality of an organized pattern of action" (Zucker, 1987: 444).

Hence, when we talk about organizational emergence from institutional perspective, we talk about the emergence of new organizational forms essentially. This could be a

partial answer of Perrow's criticism on new institutionalism for largely interesting in "trivial organizations" (Perrow, 1996: 172). As I discuss in later sections, either created or changed, a new institution has to be different from the others and idiosyncratic; and so, institutional studies on the emergence or change of organizational institutions tend to interest in semi (Tolbert & Zucker, 1996) or proto-institutional (Lawrence, Hardy & Phillips, 2002) organizational forms rather than established organizations.

INSTITUTIONALIZATION OF NEW ORGANIZATIONAL FORMS

After the introduction of organizations as institutions and presentation of essential concepts, in this section, I review and discuss the literature under the three basic questions to develop propositions on the institutionalization of new organizational forms.

Where Do Institutions Come From and Whither They Go?

Early studies of new institutionalism mostly stressed the influence of institutions on the organizations rather than defining institutions themselves. They seemed contented with the *old* definition of the term. The *new* definitions appeared subsequently, but with some confusions and lack of agreement. In the 'introduction' of their new institutionalist manifesto, DiMaggio and Powell (1991) identify the main reasons of this ambiguity as follows: "'institutionalists' vary in their relative emphasis on micro and macro features, in their weightings of cognitive and normative aspects of institutions, and the importance they attribute to interests and relational networks in the creation and diffusion of institutions" (DiMaggio & Powell, 1991: 1).

Considering DiMaggio and Powell's observation, I review the institutionalization process of new organizational forms over the origin (i.e. micro and macro features), motive (i.e. cognitive and normative aspects) and order (i.e. interests and relational networks) of institutionalization under three headings: top-down vs. bottom-up institutionalization, demand vs. supply-side institutionalization, and parallel vs. sequential institutionalization.

Top-down vs. bottom-up institutionalization. Institutions are defined as "socially constructed, routine-reproduced, program or rule systems" (Jepperson, 1991: 149), and

institutionalization is the process by which institutions emerge (Barley & Tolbert, 1997). Institutionalization process is usually analyzed through the interactions of different levels (Scott, 1994), stages (Tolbert & Zucker, 1996) and actors (Seo & Creed, 2002). Leaving the discussion of stages and actors of institutionalization process to next sections, I focus on one of the oldest controversies of institutional theory: macro and micro institutionalization.

Neo-institutionalism acknowledges the process of institutionalization as a product of recursive interactions between action and institutions. Essential neo-institutionalist works on institutions are mainly conducted from macro perspective. Meyer and Rowan (1977) started their analysis with macro institutions like state and professions. These institutions are constructed by society "as reciprocated typifications or interpretations" (Meyer & Rowan, 1977: 341). Inspiring from two pioneers, early neo-institutionalists focused mainly on legitimacy and isomorphic behaviors of organizations aiming to conform to their macro institutional environments (DiMaggio & Powell, 1983). According to this account, organizational and individual level forms and processes are constructed via top-down institutionalization stages.

Zucker (1987;1988) labels this top-down institutionalization process as reproduction of *environments as institution* by organizations and conversely argues that the institutionalization process starts from the micro processes and offers a bottom-up institutionalization process as generation of *organizations as institutions* at intra organizational level. Micro institutionalists agree with macro institutionalists that institutionalization is a social construction, but they add that Berger and Luckmann's (1967) social construction process begins with two individuals interacting with each other. Institutions are reproduced through everyday activities of individuals (Zucker, 1987) and "much individual behavior is governed by structures that originate and are regulated at the micro-level" (Zucker, 1988: 41). DiMaggio and Powell (1991) subsequently revised the new institutionalist approach emphasizing micro institutional processes and introducing practical action theory.

Based on his 'three pillars', Scott (2008) maintains that there are three underlying mechanisms of institutionalization process: institutions emerge because of rational, normative and cognitive reasons. Any structures or processes become an institution; if

they provide positive returns to society, propose appropriate identity for individuals, or become a taken for granted belief (Scott, 2008). Apparently, the first two mechanisms seem more interest driven approaches, while the last one reflects more emergent processes. Macro institutional perspective focuses on taken for granted institutions of cognitive, rather than normative and rational pillars to analyze the process of institutional emergence at the macro organizational level (Phillips & Mallhottra, 2008). On the other hand, micro institutional perspective recommends to focus on rational and normative pillars to explain the emergence of institutions; and emphasizes the intentional, interest-driven efforts of actors who aware of that "institutions are not natural and 'taken for granted', but are social constructions" (Lawrence, Suddaby & Leca, 2009: 15).

Obviously, these two perspectives are not mutually exclusive. The macro-micro separation of the institutionalization is only a focusing issue. While a farther look puts forward the macro dimensions of institutionalization, a closer look gets the micro dimensions to the front.

Proposition 1: Institutional studies on the emergence of new organizational forms mainly reflect bottom-up rather than top-down institutional processes in explaining organizational emergence.

Demand vs. supply-side institutionalization. Answering to "Where do institutions come from?" question brings other related questions to mind: Why? What are the essential motives for the institutional emergence? Do they emerge spontaneously as a response to particular demands, or are they constructed purposefully by certain institutional entrepreneurs to be supplied?

Meyer and Rowan (1977) indicate that an organization could achieve a legitimate organizational form, external assessment criteria, stabilization, success, and survive by adopting an institution. These achievements are important objectives for interest-driven actors as well, and these actors could attempt to construct certain institutions considering those objectives. Along with reducing environmental uncertainty, institutions give power to actors who construct them instrumentally (Zietsma & McKnight, 2009). In this sense, the purpose of institutions can be explained from two different perspectives

(Scott, 2008): by demand-side argument, which sees institutions as a response of actors to recurrent and unsolved problems (Suchman, 1995), and supply-side argument, which sees institutions as a *rationalized environments* by certain types of actors via universalistic ideological claims (Meyer, 1994).

Suchman (1995) argues that to determine the locus of institutionalization as bottom-up or top-down process is not easy, since institutionalization could be driven by various actors at various levels of analysis. Exploring the potential causes of institutionalization is more relevant approach to understand the emergence of new institutions. He maintains that institutions arise when the problems arise. If there are ready-made solutions to problems, then top-down institutionalization occurs by adopting the existing solutions; otherwise, actors construct new institutions via categorization and comparison of certain responses to problems. Institutional emergence could be top-down by incorporating or recombining preexisting solutions, or bottom-up by developing alternative solutions. Therefore, Suchman's (1995) model associates the emergence of institutions with the demand of unresolved problems (Scott, 2008).

Meyer (1994) on the other hand, asserts that certain types of actors can come up with universalistic rationalized ideas to construct new institutions. They have ideologies as good ideas for the "generalized others" (Meyer, 1994: 47) without considering their demands. Rationalization projects are carried out instrumentally by nation states, professional associations and NGOs at societal level; by management schools and consulting firms at organizational level, and they "often begin their work by convincing potential adopters that they have a problem" (Scott, 2008: 105). Through meaning work, they offer a frame to define the problem and suggest the solution (Rao & Giorgi, 2006).

Both models concede the contributions of actors in the emergence of new institutions. Nevertheless, demand-side approach attributes the emergence of institutions to the existence of a problem, while supply-side approach privileges the actors who have ideologies or projects for the 'others'. Consequently, the supply-side argument is more appropriate to analyze the emergence of new organizational forms for two reasons: first, the construction of new organizational forms has been mostly associated with political processes (Rao, Morill & Zald, 2006), and second, Suchman's model explains the

construction of intra-organizational level practices, while Meyer's model is about the construction of meso or macro level organizations.

Proposition 2: Institutional studies on the emergence of new organizational forms mainly reflect supply-side rather than demand-side institutionalization processes in explaining organizational emergence.

Parallel vs. sequential institutionalization. Although the first two propositions roughly outline the direction of institutionalization as from micro to macro environment, we still need more salient signs and detailed footsteps to trace the emergence patterns of new organizational forms. The best option which probably comes first to mind is to follow institutional works of institutional entrepreneurs throughout the emergence of new organizational forms.

Basically, institutions can emerge at three different levels of institutionalization: societal (macro), organizational (meso), and individual (micro) levels (Friedland & Alford, 1991; Scott, 2008). Institutional entrepreneurs perform different institutional works at these levels to construct new organizational forms: at micro level opportunity recognition by problem framing and counterfactual thinking, at meso level designing the organizational form by building and theorizing the organizational template, and at macro level getting legitimation by connecting with a macro level discourse and aligning with highly legitimate actors (Tracey et. al., *forthcoming*).

Although the construction of some new organizational forms requires the institutional works to be occurred simultaneously (Tracey et. al., *forthcoming*), as DiMaggio (1988) pointed out earlier, institutionalization process usually starts with the institutional works of entrepreneurs within the organization. Then, institutional entrepreneurs with sufficient resources and institutionalization project create new organizational forms. Finally, with the institutionalization of new organizational forms, "much institutional work goes on outside of core organizations, elsewhere in the organizational field" (DiMaggio, 1988:14).

Proposition 3: Institutional studies reflect that the emergence of new organizational forms follows a sequential order of micro, meso and macro level institutional works rather than parallel processes.

Who Constructs Institutions?

Regardless of the epistemological concerns, we can also use more practical version of this question: Who creates institutions? Agency or structure? Environment or actors? This tension has been one of the wide and essential debates of institutional theory (Beckert, 1999; Garud, Hardy & Macquire, 2007), organization theory (Child, 1997; Reed, 2003) and social theory as well (Giddens, 1979; Sewell, 1992; Emirbayer & Mische, 1998). After the extensive debates between old and new institutionalism on the embeddedness agency problem (Garud, Hardy & Macquire, 2007), the family quarrel (Hirsch & Lounsburry, 1997) has tended to end by the suggestion of institutional entrepreneurship concept (Hardy & Maguire, 2008; Battilana, Leca & Boxenbaum, 2009).

Institutional entrepreneurship and afterwards institutional work literature produced important researches on institutional emergence (Hardy & Maguire, 2008; Battilana, Leca & Boxenbaum, 2009; Lawrence, Suddaby & Leca, 2009). Yet, the emergence of the new organizational forms is still in ongoing debate between traditional vs. institutional and individual vs. collective institutional entrepreneurship perspectives since the organizational construction is also addressed by the traditional entrepreneurship research (Timmons and Spinelli, 2003; Carter, Gartner & Reynolds, 2010) and evolutionary approach (Ruef, 2005; Aldrich & Ruef, 2006).

Entrepreneurs vs. institutional entrepreneurs. Instead of the oversocialized view of new and undersocialized view of old institutionalism, neo-institutionalism embraced institutional entrepreneurship (DiMaggio, 1988) and institutional work (Lawrence & Suddaby, 2006) concepts as a more balanced view of institutions and their dynamics which means "actors can routinely enforce institutions without being aware that they are socially constructed" (Lawrence, Suddaby & Leca, 2009: 15). Institutions may constrain or enable entrepreneurial action but they do not determine them (Pacheco, York, Dean & Sarasvathy, 2010). Institutional entrepreneurship is defined as "activities of actors who have an interest in particular institutional arrangement and who leverage resources to create new institutions or to transform existing ones" (Maguire, Hardy & Lawrence,

2004: 657). Correspondingly, institutional work denotes the purposive actions of institutional entrepreneurs "aimed at creating, maintaining and disrupting institutions" (Lawrence & Suddaby, 2006: 215).

Traditional entrepreneurship literature, on the other hand, with some differences between economic and sociologic perspectives, mostly associated the entrepreneurship concept with organizational founding (Ruef & Lounsburry, 2007). However, it's not easy to argue that every entrepreneur creates a new organizational form. Although there are some important similarities and significant potential to be connected between entrepreneurs and institutional entrepreneurs (Phillips & Tracey, 2007; Battilana & Leca, 2009), some authors differentiated two forms of entrepreneurship. Organizational entrepreneurs found a new venture but within an existing institutional mold, but institutional entrepreneurs create a new organizational forms diverge from existing institutions and strive to institutionalize it (Battilana, Leca & Boxenbaum, 2009; Scott, *forthcoming*). Despite the traditional entrepreneurs, institutional entrepreneurs are ideological activists who provide a frame to define a problem and suggest a solution (Rao & Giorgi, 2006).

In this sense, while discovery forms of entrepreneurship seems similar with the traditional entrepreneurship, with its enactment actions through the process, the creation form of entrepreneurship stays close to the institutional entrepreneurship (Alvarez & Barney, 2007). As DiMaggio (1988) asserted long before, "the institutionalization of an organizational form requires institutional work" (p. 15). So, when we talk about the emergence of new organizational forms, we talk about the institutional works of institutional entrepreneurs as well.

> *Proposition 4: Institutional studies on the emergence of new organizational forms focus to the institutional works of institutional entrepreneurs rather than the overall entrepreneurial activities.*

Collective vs. individual actors. Institutional entrepreneurs could be individuals or collective actors (Battilana, 2006; Scott, 2008; Hardy & Maguire, 2008). Drawing from the old institutionalism, early studies of institutional entrepreneurship focused on the actions of single actors, but subsequently changed their directions to the collective

aspects of institutional entrepreneurship (Battilana, Leca & Boxenbaum, 2009). Definitionally, collective institutional entrepreneurship implies multiple, unconscious and anonymous actors while individual institutional entrepreneurship implies single, conscious and onymous actors.

Some new (Zucker, 1988; Hargrave & Van de Ven, 2006) and phenomenological institutionalists (Dorado, 2005) argue that institutional studies should focus only to collective behaviors of actors, since an institution is a routinized mechanism generated by the accumulation of collective but uncoordinated actions of countless agents to solve individual self-interest conflicts. "That is, actor-actor relation is a package, and as people and groups enter into particular forms of actorhood, the appropriate actions come along and are not usefully to be seen as choices and decisions" (Meyer, 2008: 794). Czarniawska (2009) asserts that using the institutional entrepreneurship label for an individual actor is an oxymoron, because "a person or a group can institute, but not institutionalize: the latter verb can only be used as past participle. In practice, however, there are, and always have been people or groups that try to create institutions" (p: 424).

On the other hand, institutional strategy, institutional entrepreneurship and institutional work literature maintain that there is a projective dimension of agency, and individual factors might play role in the emergence of institutional entrepreneurship (Lawrence, 1999; Suddaby & Greenwood, 2005; Garud, Hardy & Maguire, 2004; Lawrence & Suddaby, 2006; Hardy & Maguire, 2008; Battilana, Leca & Boxenbaum, 2009). Nevertheless, although the institutional work literature seems to have room for individual level of analysis (Battilana & D'Aunno, 2009; Kraatz, 2009) there is still limited attention on institutional works of individual institutional entrepreneurs (Reay, Golden-Biddle & Germann, 2006). Institutional leadership literature similarly argues that individuals who enact institutions (Palmer, Biggart & Dick, 2008) could be examined as institutional entrepreneurs (Biggart & Hamilton, 1987; Hargadon & Douglas, 2001; Kraatz & Moore, 2002). Institutional leaders can maintain an institutionalization projects by managing internal consistency of organizations, developing external supporting mechanisms and acting to overcome external enemies (Washington, Boal & Davis, 2008).

The tension between individual and collective action of entrepreneurs could be addressed through the different levels of analyses. While some researchers argue that individual institutional works can be performed to construct institutions at all three levels (Tracey, Phillips & Jarvis, *forthcoming*), others maintain that "institutional contexts determine what sorts of actors would perform what kinds of institutional work" (Hwang & Colyvas, 2011: 65). Although the practice creation (Powell & Colyvas, 2008; Lounsburry & Crumley, 2007; Reay, Golden-Biddle & Germann, 2006) and field creation activities (Djelic & Quack, 2008; Maguire, Hardy & Lawrence, 2004; Garud, Jain & Kumaraswamy, 2002; Lounsburry, Ventresca & Hirsch, 2003) are mainly the production of collective action, organization creation activities are usually performed by individual actors (Battilana & Leca, 2009; Aldrich & Ruef, 2006; Ruef, 2005).

Consequently, institutional construction may needs collective interactions (Berger & Luckmann, 1968), institutional entrepreneurs may have unintended as well as intended consequences (Tracey, Phillips & Jarvis, *forthcoming*), institutional works of interest-driven actors may represent "only one category of possible social change explanations" (Jepperson, 1991: 158), and institutional projects may not reap directly the benefits of their own efforts (Pierson, 2004). But, since new organizational forms emerge as settlements via the negotiation of powerful institutional entrepreneurs (Suddaby & Greenwood, 2005; Rao & Kenney, 2008), there is still room for institutional design of individual actors (Brint & Karabel, 1991; Lawrence, Suddaby & Leca, 2011), at least at very first stages of new organizational form creation as a matter of self-interested entrepreneurial action.

> *Proposition 5: According to institutional studies on the emergence of new organizational forms, individual actors are more prominent than collective actors in the emergence of new organizational forms.*

Is There Such Thing as New Institution?

I argued that the main distinctive feature of institutional entrepreneurs is to construct a new organizational form, which would be a 'new institution'. But there is no much agreement or even an argument on the 'novelty' of an institution. The emergence of an institution is generally accepted as a mutual, recursive and iterative structuration

process between actors and institutional environments (Barley & Tolbert, 1997) and researchers often seems reluctant to be involved in "the chicken or the egg" dilemma: "We typically do not try to predict the invention; we just predict the pattern of its spread" (Zucker, 1988: 28).

Not only the emergence of new institutions, but also the emergence of new organizational forms has been largely overlooked by institutional studies; while the adaptation, diffusion and change of organizational forms have been widely elaborated (Tracey, Phillips & Jarvis, *forthcoming*). However, there are essential concepts such as bricolage (Levi-Strauss, 1962), enactment (Weick, 1979), translation (Czarniawska & Sevon,1996), proto-institutions (Lawrence, Hardy & Phillips, 2002), emergent organizations (Henisz & Zelner, 2005) and innovator-imitator entrepreneurs (Rao & Singh, 1999) which may set the ground for theoretical discussion on the issue. In this sense, I discuss the 'novelty' of emerging institutions to seek an answer to "the question of the first institution" (Holm, 1995: 400), starting from abstract to more practical levels of new organizational forms' emergence under the three headings: institutional change vs. institutional construction, full-institutions vs. proto-institutions, and innovator vs. imitator entrepreneurs.

Institutional change vs. institutional construction.

The origins and structures of institutions have been discussed from different points of view. Institutional studies generally treated the institutional emergence as an institutional change issue rather than institutional construction (Friedland & Alford, 1991; Palmer & Biggart, 2002; Scott, 2008). This implies that institutions are always out there social realities (Meyer & Rowan, 1977) and there couldn't be entirely new institutions, rather they can be renew unconsciously through institutional change. Therefore, the stages of institutionalization start from institutional reproduction (DiMaggio, 1988) or, in other words, deinstitutionalization (Greenwood, Suddaby & Hinings, 2002). From this perspective, there are institutionally stable conditions in every given field since the beginning, and then functional, political and social pressures destabilize existing institutional order (Oliver, 1992).

Institutional change perspective reflects the macro approach of new institutionalism and ignores the reasons that lie behind those functional, political and social deinstitutionalization pressures, whereas exogenous (Leblebici, Salancik, Copay & King, 1991) and endogenous (Seo & Creed, 2002) actors consciously pursue their projects relying on power and social skills to build new institutional arrangements (Fligstein, 1997). Institutional actors try to develop new institutions collectively by combining earlier institutional components through theorization and specification of problem, justification of new solution, and gaining legitimacy for this solution; eventually these semi-institutions diffuse and become new full-institutions (Tolbert & Zucker, 1996).

While institutional change perspective starts from deinstitutionalization, institutional construction perspective starts the institutionalization process with innovation: "Human beings are innovators; they generate new ideas, schemas, logics, routines, strategies, and tools on a regular, nonrandom basis." (Jennings & Greenwood, 2003: 196). To explain this innovation process, Campbell (2004) employs *enactment*, *translation* and *bricolage* as three different paths that entrepreneurs follow to construct new institutions. Institutional actors encode institutional principles (e.g. perceptions or belief patterns like 'organizing requires leadership') by enacting these scripts (i.e. ideas, schemas, logics, routines, strategies, and tools) during the ongoing interaction processes to create entirely new institutions; translate new institutions to the new contexts by combining new and old institutions; or bricolage new institutions by recombining already existing institutional principles and practices in a new way (Campbell, 2004).

Invented new institutions should be legitimated and diffused after the objectification to be a full, taken for granted institution (e.g. action patterns like CEO system of managing), and when new institutions emerge, the deinstitutionalization process begins (Jennings & Greenwood, 2003). Deinstitutionalization process doesn't imply an institutional change in every case. Some institutions just disappear by institutional erosion (Kleymann et. al., 2008) without transforming to another institution. Therefore, if an institution could disappear without changing, then some institutions could be constructed without displacing the other, may not be from the scratch, but from the scripts by enactment, translation or bricolage activities of institutional entrepreneurs.

Based on these institutional works, with different motives, different institutional entrepreneurs such as states, professions, social movements, and individuals can construct or trigger the construction of institutions (Palmer & Biggart, 2002; Strang & Sine, 2002).

There are some commonalities between change and construction perspectives on institutional emergence. First, they both follow similar processes but with different starting points. Second, the construction of a new institution is an important stage for both perspectives. Third, institutions are needed to exit from social entropy or nonproductive behavioral patterns (Jepperson, 1991) and these objectives are the antecedents of deinstitutionalization as well (Oliver, 1992). And lastly, each perspective assumes the existence of institutional works of institutional entrepreneurs even if performed consciously or unconsciously, collectively or individually, or, onymously or anonymously.

Clearly, different stages of institutionalization process for the same institution could be carried out by different institutional entrepreneurs (Meyer, 2008) at different levels, fields (Kraatz & Block, 2008) and times (Czarniawska, 2009), and ex-post institutions can be different than ex-ante expectations (Pierson, 2004). But, whether reproduced or constructed, changed or created, eventually, the emerged institution would be a new institution. In other words, there are only two kinds of institutions: the new institution and deinstitutionalized (ie. nonexistent) one. So, we can answer the main question: Is there such thing as new institution? Yes. And even more, there is no institution which is not new.

Proposition 6: The studies on the emergence of new organizational forms assume the new organizational forms as new institutions, emerged via institutional construction rather than institutional change.

Full-institutions vs. proto-institutions. I argue that the emergence of a new organizational form could be explained by considering it as a new institution. But, definitionally, an organizational form is not just an individual organization, rather it "refers to those characteristics of an organization that identify it as a distinct entity and, at the same time, classify it as a member of *a group of* similar organization" (Romanelli,

1991, s. 81-2, italics added). This definition makes it confusing to take new institutions as new organizational forms, since the emergence of a new organizational form implies an individual organization.

To overcome this confusion, some neo-institutionalists offer certain concepts like proto-institutions (Lawrence, Hardy & Phillips, 2002), semi-institutions (Tolbert & Zucker, 1996) and emergent institutions (Henisz & Zelner, 2005). In this sense, since new organizational forms arise from "an archetypal configuration of structures and practices" (Greenwood & Suddaby, 2006) as proto-institutions, the new organizational form is still an appropriate theme for institutional studies to analyze the construction of both individual and group of organizations (Ingram, 1998).

Constructing a new organizational form as an archetype is more complex business than founding any new organization (Aldrich & Fiol, 1994). All new organizations suffer from the *liability of newness* (Stinchcombe, 1965) against their environments, and new organizational forms are more likely to fail than new organizations with an established form (Freeman, Carroll & Hannan, 1983). Because, deviating from socially constructed *categorical imperative* invites penalties (Zuckerman, 1999). However there would always be institutional *insurgents* (Hinings, Greenwood, Reay & Suddaby, 2004) and even though some of them could fail to be an institution (Edwards & Jones, 2008; Tracey, Phillips & Jarvis, *forthcoming*), many *emerging organizational forms* (Katz & Gartner, 1988) will appear as *emergent* (Henisz & Zelner, 2005) or *proto-institutions* (Lawrence, Hardy & Phillips, 2002).

Scott (1995) defines four essential properties of new organizational forms: goals, authority relations, technologies and marketing strategies. When a new organizational form dramatically differs from existing forms in terms of all four core features, it becomes a new institutional form as well (Rao, Morill & Zald, 2006). If a new organization can become a new institution as a new organizational form by their entrepreneurs' attempts, it can trigger the institutional change (Ingram, 1998) and can lead to emergence of an institutional field. So, institutional entrepreneurs consciously perform institutional works to create proto-institutions (Zietsma and McKnight, 2009) which "are narrowly diffused and only weakly entrenched, but that have the potential to become full-fledged institutions" (Lawrence, Hardy & Phillips, 2002: 281). Hence, I can

assert that new organizational forms could be treated as proto-institutional individual organizational forms as well.

Proposition 7: The studies on the emergence of new organizational forms analyze them as proto-institutional individual organizational forms emerged via constructing behaviors of institutional entrepreneurs.

Imitator entrepreneurship vs. innovator entrepreneurship. Thus far I suggest that distinguishing an institution from a new institution is somewhat complicated. Every institution has some aspects of newness and oldness. But differentiating an organization from a new organization or organizational form is much easier than that. Every new organization is a new organization, but not every new organization is a new organizational form. Among others, a central difference between a new organization and a new organizational form is their entrepreneurs. While the former is constructed by imitator entrepreneurs, the latter is constructed by innovator entrepreneurs. While new organizations are based upon existing organizational forms, the new organizational forms emerge as a result of constructing behaviors of institutional entrepreneurs. To compare the different constructing behaviors of institutional entrepreneurs, I apply to Baum and Rao's (2004) innovative and imitative entrepreneurship concepts.

Baum and Rao (2004) offer an innovative vs. imitative entrepreneurship dichotomy by referring to the recombination typology of Rao and Singh (1999) for contrasting two different types of entrepreneurs. This typology proposes a 2x2 matrix using different combinations of the new organizational forms' characteristics to explain the emergence of new organizational forms. Entrepreneurs can add or delete these characteristics during the construction of new organizational forms. Of course they may choose not to add or delete any characteristics and this option makes them imitative entrepreneurs. All other three combinations can be seen a different levels of innovative entrepreneurship. At the lowest level of innovative entrepreneurship, entrepreneurs construct a new organizational form via partial contraction by just deleting one or more characteristics of existing forms. If they add new characteristics without deletion then occurs middle level innovative entrepreneurship via partial enlargement. The higher level of innovative entrepreneurship is radical recombination. At this level, innovative

entrepreneurs both delete some characteristics of existing forms and add new ones to construct new organizational forms. While radical recombination is a revolutionary innovation, partial contraction and partial enlargement are more evolutionary innovations. Radical recombination is the most difficult but effective way of creating new organizational forms (Rao and Singh, 1999).

So, how can be classified the emergence of new organizational forms in terms of institutional construction? Is it revolutionary or evolutionary innovation? The answer is "both". Either revolutionary or evolutionary, the emergence of any new organizational form is a matter of innovation. Although traditional entrepreneurship literature portrays the founders of new organizations as innovators, they generally imitate existing organizations to create new ventures (Baum & Rao, 2004; Cliff, Jennings & Greenwood, 2006).

Consequently, considering the Campbell's (2004) approach on institutional construction, I argue that the new organizational forms are mostly constructed by the innovative institutional entrepreneurs via enacting new institutions as revolutionary innovations and translating new institutions to the new contexts by combining new and old institutions as evolutionary innovations. But it doesn't means that only innovative entrepreneurs are institutional entrepreneurs. In some cases, imitative entrepreneurs could act as innovative entrepreneur via architectural innovations (Henderson & Clark, 1990), without enacting or translating but reconfiguring institutional logics or existing linkages of organizational forms' characteristics in a new way as bricolage (Phillips & Tracey, 2007). While enactment and translation lead to revolutionary innovations, bricolage facilitates mostly evolutionary innovations (Campbell, 2004).

> *Proposition 8: The studies on the emergence of new organizational forms analyze their emergence through revolutionary or evolutionary constructing behaviors of innovator institutional entrepreneurs.*

To sum up the institutionalization of new organizational forms, I outlined the main questions of the study, essential perspectives of institutional emergence associated with main questions, and summary of developed propositions in Table 2. In the next section I

evaluate these propositions based on published case studies on the emergence of new organizational forms via qualitative meta-analysis.