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Theory of Organization and New Institutionalism in Organizational Analysis

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Abstract

This article deals with the theoretical implications of New Institutionalism in organizational analysis. To show it, the importance of studying organizations and institutions is briefly exposed. Organization Theory and its most recent developments are revised and its principal neo-institutionalism points. Afterward, based on the previous facts, New Institutionalism theoretical argumentative links are established concerning Organization Theory. Finally, the limits and contributions of New Institutionalism for the organizational analysis are analyzed and possible research lines are suggested.

Keywords: Organization Theory, Institutionalism, Organizational analysis.

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INTRODUCTION

When considering why organizations constitute a relevant subject of study today, Etzioni's perspective is significant: "We are born into organizations, we are educated by them, and most of us spend a good part of our lives working for organizations. We spend much of our leisure time spending, playing, and praying in organizations. Most of us will die within an organization, and when the day of burial comes, the largest organization of all –the State– must grant its official permission." (Etzioni, 1986: 1). Living in a world of organizations means that individuals are related to them in various ways. It also means that the social, cultural, economic, political, and even organizational processes that develop in various societies are closely related to organizations.

Spending a great deal of time in organizations influences individuals' lives –psychically– and their relationships –social, economic, cultural, etc.– both inside and outside the always-diffuse boundaries of the organization. Even without being part of organizations, individuals' contact with them is almost inevitable. Moreover, the influence of organizations on society is evident; for example, public policies –developed within organizations– have various effects on different sectors of society. Similarly, the efficiency of organizations can determine the quality of life and the balance of society. In turn, inter-organizational relationships influence both directly and indirectly at the individual and social levels; for example, the dispute between political parties to gain and maintain power can lead to improved efficiency of public services. Thus, organizations have both positive and negative outcomes for individuals and society (Hall, 1996).

As both a symbol and instrument of modernity (in Weberian terms), organizations are present in the various spaces of modern life. There are few non-organizational spaces –such as the family– where individuals develop their lives. Additionally, organizations increasingly infiltrate numerous spaces of modern life: just as individuals carry various social spaces with them into the organization, when they leave it, they carry that organizational space into other areas of their lives. Furthermore, organizations increasingly infiltrate the numerous spaces of modern life. Just as an individual carries various social spaces into the organization[33], when they leave it, they take that organizational space into other aspects of their life.

Therefore, since organizations are present in almost all types of social, economic, political, cultural, etc., relationships –or rather, since most of these relationships develop within organizations– and because of this, we can consider them as elements that articulate and structure society[34], the study of organizations becomes relevant. From this perspective, the study of organizations is fundamental to the development of social and

[33] In this sense, we can consider organizations as a space where various social and organizational spaces overlap. When these spaces merge with the practices and processes of the specific organization, they are reformulated and acquire a specific character depending on the structural identity of the organization, its management style, its goals, etc.

[34] For example, organizations stratify society by creating roles and identities not only outside the organization –such as doctor, teacher, worker, politician, etc.– but also within them –such as director, supervisor, etc.

human sciences as most social, cultural, economic, and political processes involve organizational aspects.

Thus, both functionally and theoretically, the study of organizations is crucial.[35] However, not only do we live in a world of organizations, but we also live in a world of institutions. Institutions are present in various social spaces and are a structuring part of individual and societal life. Therefore, the study of institutions is, like the study of organizations, both functionally and theoretically significant.

Organizations and institutions are essential components of modern society, and understanding the ways they relate is vital for the knowledge of social, human, and organizational aspects. This work is developed within this context. It is an attempt to establish theoretical links between the discipline conventionally responsible for studying organizations and the institutional perspective of organizational study; in other words, it is an attempt to recognize both the neoinstitutionalist foundations housed in Organizational Theory and the neoinstitutionalist contributions to the knowledge of organizations and, based on this, to envision possible lines of research.To achieve this, it is necessary to briefly review both Organizational Theory and its recent developments, as well as neoinstitutionalist knowledge.

ORGANIZATIONAL THEORY: A BRIEF OVERVIEW

Despite the development of a discipline – Organizational Theory (OT) – that has the organization as its object of study, it has not been definitively defined. In short, the multiple interpretations conceived around it make it difficult to establish a consensus about the term organization. This is largely due – as will be explained later – to the diversity of the object of study of OT, the variety of elements or parts that constitute it, the different levels of study under which it is approached, and the multiplicity of specific interests of the researchers. These characteristics of the object of study of OT – along with other factors – have made it a discipline with very specific features, as will be detailed below.

ORGANIZATIONAL THEORY: A PANORAMIC VIEW

To better understand OT, the development of this discipline is summarized below. Given the limited space available, the most important aspects that, in our view, offer an overview of the development of OT are presented in a table (see Table 1). As shown in Table 1, OT is composed of a set of theoretical currents; however, it is necessary to delve into their interstices to contextualize the synthetic content of the table.

[35] From a functionalist perspective, the study of organizations is important because it allows the formation of a theoretical foundation that, in turn, serves as a basis from which to prescribe better organizational forms with a higher degree of certainty for the improved performance of organizations. If organizations influence our lives, then proposing alternatives for them to function better is relevant. From a less functionalist and more critical perspective, the study of organizations is also important. For example, from a humanist perspective, we can study the physical and psychological repercussions that various management forms have on individuals.

Scientific Management (Taylorism/Fordism)

Although there is no consensus about the birth of OT as a discipline, some authors consider Scientific Management (SM) as the starting point of OT since it represents the material basis (Ibarra, 1991; Ibarra and Montaño, 1986) from which OT develops. SM, as its name indicates, is not a theoretical current that explains the organization; rather, it is an effort to establish – through a series of techniques – the best way to perform a task (Taylor, 1961). However, without SM, it is difficult to conceive the historical development of OT, since the Human Relations movement – as the first attempt to theorize the organization – is, to some extent, a continuation of SM. Therefore, we will dedicate significant space to it.

When Taylor reflected on productive inefficiency, he realized the existence of natural laziness and systematic laziness, and that management systems were ineffective (due to the growth of organizations). He decided to seek increased efficiency; in his own words, "to increase production per unit of human effort" (Taylor, 1994: 84). This required eliminating one of the sources of subsistence for the workforce: their know-how, their craft, as this was both a condition (due to their knowledge and the labor power it represented) and an obstacle (also due to their knowledge and because it implied a relative scarcity of unskilled labor) for the establishment of large-scale industry and capital accumulation. Therefore, in the late 19th and early 20th centuries, capital launched an attack on the craft through the machine, the child, and the pieceworker, thus initiating a series of benefits for its productive logic (Coriat, 2000)36. However, this was not enough to eradicate the craft as a zone of uncertainty (Crozier and Friedberg, 1990: 60-61) for the worker and as an obstacle to significantly increasing production per unit of human effort.

In these circumstances, Taylor steps onto the scene with his four famous principles of SM37. These four principles allowed for a considerable reduction in the inherent power of the craft, diminishing worker control over work processes and operational methods. Essentially, what was required was to strip the worker of their know-how, destroy it (fragment it, standardize it, reformulate it), and return it to them without any element of danger for capital. That is, return their knowledge but nullify their power, rendering ineffective what allowed the worker to resist capital. This demand was met by SM38.

In this sense, Taylorism, as a socioeconomic phenomenon developed around Taylor's SM, marks a new power relationship between classes and initiates a new mode and regime

[36] Reduction of manufacturing costs, increase in work pace, reduction of worker organization and their insubordination and indiscipline (Coriat, 2000).

[37] Namely: 1) the reformulation of work through its decomposition into simple activities; 2) the scientific selection of the worker; 3) persuading the worker to accept this new form of work; and 4) the separation between the conception and execution of work (Taylor, 1994). According to Taylor, these four principles are based on scientific knowledge, making them universal. In this way, Taylor establishes his famous principle: "one best way."

[38] Nevertheless, at the socioeconomic level, other conditions had to converge – such as the change in the composition of the American working class, anti-union and anti-worker militias, and the economic boom in the United States due to the war – for the progressive overthrow of the craft (Coriat, 2000).

of capital accumulation: mass production, which in turn creates a change in state practices of regulation and social control (Coriat, 2000). It is under these changing conditions, where the order of knowledge and power in the workshop has shifted (in favor of capital), that the chronometer liberates a new space for such capital accumulation and mass production (Coriat, 2000). However, Taylorism alone would not have achieved such transformations; Fordism, unlike Taylorism, introduced a new element: chain conveyors, belt conveyors, and the assembly line (Coriat, 2000). This element came to complete what Taylorism started: total control over operational modes[39]. While Taylor emphasized notions such as meticulousness, static nature, wage-bonus, method, etc., Ford emphasized notions such as movement, dynamics, work conditions, technique/machinism, etc. (Friedman, 1985); these notions, when intertwined and concretized in techniques and production processes, achieved total control of the work process at its operational level.

Thus, Taylorism/Fordism brought significant changes at various levels: at the individual level, the deskilling of the worker and their alienation in production processes; at the production level, increased efficiency and productivity[40]; at the organizational level, a new form of organization based on the rationalization of work; and at the socioeconomic level, mass consumption[41] and production.

Human Relations

Thus, within the Taylorist/Fordist environment of industrial capitalism, immersed in an ideological context infused with the institutional frameworks of progress and economic rationality[42], and under the practice of "time is money," the Human Relations movement emerged—accidentally—starting in the 1930s. With the same objective as scientific management—to find ways to make production levels more efficient—but using different techniques—establishing the best environmental and physical conditions such as lighting and breaks—the Human Relations movement, given the logical inconsistency in the results of their experiments, stumbled upon the human psychosocial aspect of the individual within the organization. That is, while being interested in issues of efficiency, they "discovered"[43]

[39] In other words, while in Taylorism the worker manages their strength within the assigned time, in Fordism the worker cannot manage their strength because the production time is constant: the elimination of downtime is taken to its limit

[40] At this level, the institutionalization process of Taylorism-Fordism culminated in the implementation of productivity standards, that is, the advances ensured by the assembly line concerning techniques for extracting surplus labor (Coriat, 2000).

[41] Also, at this level, the institutionalization process of Taylorism-Fordism culminated in the implementation of production standards, that is, the mass production of standardized goods whose value in terms of necessary labor time has been reduced (Coriat, 2000).

[42] Economic rationality can be understood as productive activity that is measurable, quantifiable, calculable, and predictable. That is, any activity that can be rationalized in economic terms, where the factors of such activity can be expressed, regardless of their nature, in a single unit of measurement: cost per unit of product (Gorz, 1991). This means any activity that can be made more efficient and where costs can be minimized and profits maximized.

[43] It is important to mention that recent studies (Gillespie, 1993) show that many of the supposed discoveries of human relations are not really discoveries. Both the researchers and the managers who participated in the Hawthorne experiments at the Western Electric Company already had notions of the importance of psychosocial factors for organizational performance.

without that being their initial objective, that more than environmental factors, it is the psychosocial factors that can increase organizational efficiency. In this way, researchers shifted their focus towards the human aspect within the organization, leading to the first theoretical developments on organizations. Their propositions are important in at least four ways:

1. They introduce the "human" variable into organizational analysis as a psychosocial being, desirous of speaking and being heard.
2. They highlight the new role of the manager as an elite who must be able to balance the disparity between technical advancement and the social instability caused by Taylorism/Fordism.
3. They emphasize the importance of the group for organizational efficiency.
4. They introduce the analysis of the organization as a socio-technical system (self-regulating), highlighting the notions of the formal and informal as structuring parts of any organization; moreover, the notion of the organization as a system that does not merely adapt to the environment, but includes it, is also present.

In this way, Organizational Theory begins to take shape, but it is not until the following theories and schools that it starts to become institutionalized.

Theories of Bureaucracy

Bureaucracy can be understood—in terms of common sense—as the state apparatus that governs society, as those individuals behind the counters, or as the endless procedures necessary to achieve a goal. However, this tells us little about what bureaucracy really is. Therefore, the obligatory reference point for the analysis of bureaucracy is found in Weber. Let's briefly examine Weber's conception of bureaucracy.

Starting from the notion of power, Weber develops his analysis of bureaucracy. While bureaucracy can be understood as a mechanism for exercising power, it represents a specific form of power rather than a generic one. This specific form of power, conceptualized by Weber as domination, is used by this author to analyze bureaucracy. Specifically, domination is a special type of power characterized by its ability to find obedience and be legitimate[44], and bureaucracy is a special type of domination: legal-rational[45]. Therefore, for Weber, bureaucracy is the technically purest type of legal-rational domination[46]. However, this domination finds its place in organizations: bureaucracy is, therefore, the most modern form of organization.

[44] to any relationship of domination. In other words, the individual obeys because the command makes a minimum of sense to them or aligns with their own interests. Hence, Weber is considered an early institutionalist.

[45] Remember that Weber identifies three forms of domination: traditional, charismatic, and legal-rational.

[46] Bureaucratic power is legitimized by the fact that it is exercised according to rationally established norms or rules: 'one obeys the norms, not the people'; people obey because they believe the rules are 'right', and they are right because they are based on technical knowledge.

Nevertheless, this form of organization (or bureaucratic administration) is not real; it simply symbolizes the "ideal type" that Weber used to understand and predict the development of modern society. Hence, all the attributes that make bureaucracy a superior form of organization compared to other forms. In this way, Weber's ideal bureaucratic type finds its foundation in specialized professional knowledge, the system of rules, and the hierarchical system. These aspects are what allow bureaucracy—as an ideal type—to be precise, continuous, and reliable, but above all, rationally effective.

However, it would take years for this Weberian ideal type to be studied concretely as an 'ideal mode'. The first author to transfer the Weberian ideal type to the organizational field was Merton (1984). But unlike him, in the 1950s, it was Blau (1969) and Gouldner (1964) who conducted concrete case studies for bureaucratic analysis. Nonetheless, Merton's legacies are valuable: bureaucratic dysfunctions, vicious circles, displacement of means, latent functions; in fact, this author provided the conceptual basis for Blau and Gouldner's studies. Shortly thereafter, in the 1960s, Crozier – under the same methodological orientation of case study – delved deeper into bureaucratic analysis, highlighting the strategic nature of actors and defining the bureaucratic organization as one that does not correct itself based on its own errors or, in other words, as a relatively stable set of vicious circles (Crozier, 1974: 70-79). In very concrete terms, Bureaucratic Theories have conceived bureaucracy as a form of organization designed for the domination of the individuals who make it up and as a form of organization with the ability to adapt itself but with an inability to adapt to its environment.

The Behavioral School

With the theories of bureaucracy and the behavioral school, Organizational Theory (OT) gains more substance. Alongside Bureaucratic Theories (between 1950 and 1960), but from another analytical perspective, the Behavioral School finds its main representative in Simon. The focus of analysis for this school is behavior, and the methodological element through which this was studied was decision-making[47]. From this, two contributions are valuable. On the one hand, the distinction between programmed and non-programmed decisions is important because it allows the organization to be conceived as a system of decisions or a structure of decisions: the fact that decisions are made at all levels of the organization implies conceiving the organization as a decision-making system[48]. Programmed decisions guide the daily actions of the organization, but non-programmed decisions direct the course of the organization. On the other hand, decision-making explains the equilibrium of the organization, that is, the organization offers the individual, in exchange for their participation, collateral payments or incentives that the individual

[47] To the question of how organizations influence the behavior of their members, the answer given is that the study of decisions that delineate the various (operative) behaviors of the organization's members can help answer this question.

[48] Thus, in Simon's terms (1988: 10), "the organization removes part of the individual's decision-making autonomy and replaces it with an organizational decision-making process."

perceives as rewards for their participation. The equilibrium of the organization results from the "decision to participate" or not in the organization[49].

However, Simon's main contribution is the introduction of the notion of 'bounded rationality'[50] of man as a critique of the economic conception of (absolute) rationality. This is to say, as a basis that allows us to begin to understand decision-making not as a process that develops under assumptions of perfect knowledge of alternatives and consequences, but as a process that develops under conditions of imperfect knowledge of alternatives and consequences. In this way, the economic man maximizes, the administrative man satisfies.

It is from this contribution that March deepens the understanding of decision-making processes. For March (1994), decisions are not only made under circumstances of bounded rationality but also under circumstances of uncertainty and ambiguity. Likewise, the organization is not only a decision-making system but a set of political coalitions fighting for power (March, 1989). Thus, March's later studies converge on one point: the ambiguous, non-linear, and timeless nature of decision-making processes. The break with the "positivist" notion of decision-making is clear. In this way, the Behavioral School constitutes—as will be discussed later—one of the foundations of the new institutionalism.

The Contingency Movement

This movement, immediately following bureaucracy and behavior (1960s), represents a break with previous movements, schools, and theories. The Contingency Movement symbolizes a watershed moment within Organizational Theory in two senses. On one hand, the interest of contingency is no longer in individuals or groups but in the structure of the organization—the structure thus becomes the identity of the organization. On the other hand, the interest of contingency does not lie in the organization itself but in organizations—thus, methodologically, the specific case study is replaced by the comparative analysis of a diversity of organizations.[51]

In this way, at least three main contributions of contingency can be identified:

1) the introduction of the notion of the organizational environment through Lawrence and Lorsch and Burns and Stalker
2) the introduction of the notion of organizational context through Pugh et al.
3) the replacement of the principle of "one best way" with the principle of "it all depends."

[49] For Simon (1988: 106), "The organization survives and grows if the total contributions are sufficient, in quantity and quality, to provide the necessary amount and quality of incentives; otherwise, it declines and eventually disappears, unless a balance is achieved."

[50] Understanding –briefly– by this, the limited cognitive capacity in terms of knowledge (information) and its processing.

[51] From this point of view, contingency comes closer than previous movements to what should be an 'Organizational Theory'; that is, a movement that studies various types of organizations, not just one, thus having greater predictive power and theoretical generalization.

In concrete terms, what contingency proposes is: that the structure of the organization depends on environmental variables, that the structure of the organization depends on contextual variables, and that there are not just one but many best ways of doing things, depending on both the type of organization and the contextual/environmental variables.[52]

Now, the scientific validity of these causal relationships rests on the support offered by the statistical methods used by these researchers. However, establishing causal relationships without explaining the why of these relationships implies falling into determinism. Thus, the Contingency Movement, by objectifying the organization through structural and contextual variables, denies the autonomy of the human construct underlying every organization (Crozier and Friedberg, 1990). In this way, the contribution of contingency becomes its own criticism. Despite these criticisms, the Contingency Movement represented an institutionalization of the discipline for Organizational Theory.

The New Human Relations

Finally, between the 1960s and 1970s, considered both as continuity and discontinuity of the Human Relations (Montaño, 1991), the New Human Relations propose a new approach to man, but this time, not through satisfaction, but through motivation. Thus, what is at stake in the New Human Relations is the balance between human needs and organizational requirements (Argyris, 1986). Recognizing the individual as a being capable of self-development, they take self-actualization (Maslow, 1970) as the banner of the new conception of man: the "Y" man (McGregor, 1972).

Man does not need hygienic factors; he needs motivational factors (Herzberg, 1966). Therefore, decentralization of decisions, delegation of responsibilities, job enlargement, and self-assessment of performance come into play.[53] In this sense, if we return to Taylorism/Fordism, we can see how the history of organizations is the history of the refinement of the exercise of power: from open conflict to latent conflict. Indeed, these proposed techniques are more than subtle mechanisms of power for increasing organizational efficiency and performance. The new human relations and the contingency movement are perhaps the movements that possess a greater degree of functionalism and pragmatism.

[52] As the reader may have noticed, the notions of environment and context have different implications. Contextual variables for Pugh et al. are size, technology (in this sense the recovery and critique towards Woodward are present), ownership, location, and market. Meanwhile, for Lawrence and Lorsch, the environment is not entirely defined, but the market and competition can be included. However, the contingent conception of this movement is due to the latter: "By examining and comparing some select current studies, we have attempted to bring to light the possibilities of a new research-based approach which, provisionally, we have called the contingency theory of organization." (Lawrence and Lorsch 1973: 202-203).

[53] It is important to note that unlike Human Relations, the New Human Relations propose a greater proportion of techniques to improve work performance.

ORGANIZATIONAL THEORY: CHARACTERIZATION, EXPLOSION, AND IMPLOSION

ORGANIZATIONAL THEORY: A CHARACTERIZATION

Given the difficulty in answering what Organizational Theory (OT) is, the following simply presents a characterization of this discipline. Since the object of study of OT is modern organizations and since these appeared in the mid-19th century—and therefore can be considered as daughters of industrial modernity, organizational rationalization, and economic rationality—OT can be considered in the first instance as the theoretical response to the problems faced by the modern large enterprise, that is, problems of productivity, structure, strategy, market, competition, technological development, etc.

Organizational Theory (OT) can also be considered a battlefield where each school of thought fights to establish its interpretations and explanations about organizations based on its analytical interests (Reed, 1996). For this reason, and as explained in the previous section (2.1), OT cannot be conceived as a uniform theoretical body but rather as a body composed of diverse theoretical frameworks, meaning OT is diverse. These frameworks have been forged under the roof of various disciplines—economics, psychology, sociology, anthropology, among others—so OT can be considered a multidiscipline[54]. Thus, OT is constructed from continuities and ruptures, but the knowledge that emerges from it is built more by accumulation than by evolution. The diverse and multidisciplinary nature of OT makes it a complex discipline.

However, this complexity of OT is also related to the specificity of its object of study, which indicates some of OT's characteristics. The diversity of organizations, the variety of parts or elements that compose them, the different levels under which they can be approached for study, and their dynamism make the study of OT's object of study a complex subject.[55] An OT that manages to coherently integrate the challenges presented by this complexity is difficult to achieve. Therefore, the complexity of OT's object of study makes it an equally complex discipline; but it also makes the study of organizations complex. Thus, organizations have been studied not only from diverse disciplinary perspectives but also partially. Below, we will briefly present the development OT has taken.

[54] It is interesting to observe that although this process of multidisciplinary construction and formation of OT continues, its importance has become such that an inverse process is occurring simultaneously: "... organizational theory has been considered as a kind of multidisciplinary field that does not fully fit within the framework of undergraduate studies, but is increasingly relevant for the rest of the social sciences specialties—economics, sociology, political science, psychology, education, public administration, and others—especially at the graduate level..." (Montaño and Rendón, 2000: 79).

[55] For example, it is not only problematic that organizations possess multiple levels and variables of study, but it is also problematic that these change over time as organizations evolve. This means that interpretations of an organization may not be valid if the organization is studied again years later; thus, OT has a dynamic character. Moreover, the specificity of each type of organization (for example, the decision-making processes of a university differ from those of a private company) complicates the degree of generalization of theoretical frameworks.

THEORY OF ORGANIZATION: EXPLOSION AND IMPLOSION

As can be seen in Table 1, OT is characterized by a functionalist/positivist bias and by its pragmatic and utilitarian orientations. Some authors have referred to this set of theoretical currents that possess these characteristics as Conventional Organization Theory (Ibarra, 1991; Ibarra and Montaño, 1986). This distinction is useful for differentiating the previously discussed currents from their later development.

Conventional Organization Theory (COT) has been criticized for various aspects. Zey-Ferrell's (1981) critique of the contingency movement, though extendable to the other currents of COT, represents a good example of the diverse critical aspects of COT. Among them, the most notable are: the overly rational view of organizational functioning, the significant importance placed on organizational goals as powerful guiding axes, the view of the organization as a reproducer of the status quo, the view of the organization as a harmonious system where a consensus of conflict interests prevails, the ahistorical view of the organization, the little interest in analyzing power relations, and the view of the

organization as overly environmentally and technologically determined. Specifically, COT has been criticized for its functionalist and positivist nature (objective view of the researcher, conception of the object of study as external to the researcher, rationality as the basis of knowledge creation, maintenance of the status quo, utilitarian view, mainly).[56]

It is this set of criticisms that has paved the way for the development of organizational studies. In other words, this study has developed largely from the critique of the functionalist vision of COT. In trying to propose alternative visions, interpretations, and explanations to those formulated by COT, various researchers have led to the explosion[57]25 and implosion[58]26 of organizational studies. They delve into the study of some variables established by COT in a critical manner – such as decision-making – and add other variables of study – such as gender, power – and new perspectives under which to study organizations – such as metaphors, symbolism, or discourse. Alongside these, themes of analysis like organizational postmodernism or new forms of organization coexist.

Thus, in the face of the explosion and implosion of organizational studies, Organizational Studies have embraced a significant portion of the various 'new' approaches under which organizations are studied (Clegg and Hardy, 1996). However, there are perspectives that,

[56] To delve into the ontological, epistemological, and methodological foundations of OT, see: Burrell and Morgan (1979).

[57] Explosion refers to the quantity and variety of scientific disciplines (Borrero, n.d.). However, in this work, explosion is understood as the variety and number of study perspectives that have emerged around organizations.

[58] Implosion refers to the intensification, deepening, and specialization of knowledge; and to the speed with which scientific disciplines are born and progress (Borrero, n.d.). However, in this work, implosion is understood as the deepening and specialization of study perspectives that have emerged around organizations; for example, within Organizational Culture, there are two basic study approaches: culture as an external or dependent variable and culture as an internal or independent variable (Smircich, 1983).

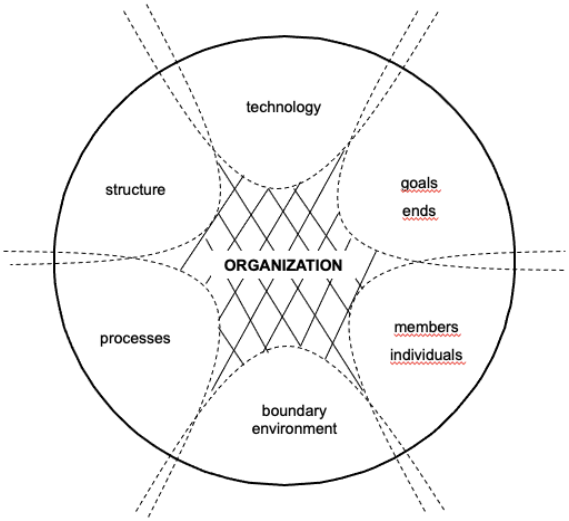
while maintaining a critical perspective, are not related to Organizational Studies – for example, the humanist Canadian school.[59]

Therefore, the explosion and implosion of the study of organizations are characterized by presenting diverse and ambiguous views of the organization that prioritize the local over the general, confrontation over consensus, action over determinism, subjectivity over objectivity, and ambiguity over rationality. Schools such as New Institutionalism, Organizational Ecology, Organizational Ambiguity, Strategic Analysis, Organizational Culture, and Psychoanalysis in Organizations are among the most relevant for the study of organizations[60] today.

In this way, we have moved from viewing the organization "... conventionally and ideally, as an orderly, harmonious, monolithic, functional, transparent, homogeneous space with well-defined boundaries" (Montaño, 2001: 108), to seeing it "... as a multidimensional space, where different logics of action intersect –technical, economic, political, emotional, cultural, etc.–, involving multiple actors with their own interests, making conflict and power essential ingredients of its functioning; built on various structures and representing multiple projects, hardly separable from other social constructions that make up everyday life" (Montaño, 2001: 108-109).

What the study of organizations has taught us so far is that it is not just the structure, the environment, the behavior, the processes, etc., but rather the mixture of these elements that constitutes the organization (see Figure 1); and, consequently, what can help define it.

FIGURE 1. THE ORGANIZATION AS A TRANSPOSITION OF ELEMENTS



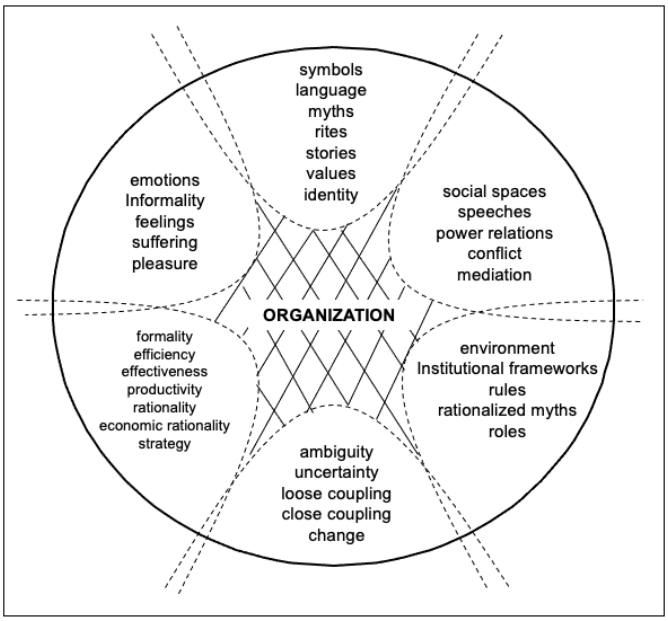
Source: own elaboration

[59] To get an international perspective on the formation of the study of organizations, see: Barba, Montaño, and Solís (1999).

[60] In this sense, if Conventional Organizational Theory (COT) is characterized by being diverse, dynamic, multidisciplinary, and complex, Organizational Studies (OS) are even more so.

We have thought of organizations in parts, and despite the proliferation of new ways to understand them, the challenge of Organizational Theory (OT) is to begin the reverse process of reconstructing them and recovering these elements (see Figure 2). Understanding the complexity of organizations helps us understand the complexity of OT, and understanding the complexity of OT helps us understand the complexity of organizations. Next, we will briefly analyze what is known as New Institutionalism and subsequently explore what it offers for the understanding of organizations.

FIGURE 2. THE ORGANIZATION AS A COMPLEX ENTITY.



Source: own elaboration.

NEW INSTITUTIONALISM: AN OVERVIEW

Just like Organizational Theory (OT), New Institutionalism (NI) is not a term that expresses theoretical homogeneity (Del Castillo, 1996; DiMaggio & Powell, 2001; Scott, 1995); rather, it represents a heterogeneous set of approaches that explore the various relationships between institution and organization (or between institutions and organizations), and whose foundation lies in notions such as individual, actor, roles, identities, behaviors, rules, regulation, construction/constitution, environments, structures, bounded rationality, costs, and transactions, among the most prominent. For the purposes of this work, we will develop the three basic approaches of NI: new economic institutionalism (NEI), new sociological institutionalism (NSI), and new political institutionalism (NPI).

NEW INSTITUTIONALISM: ITS ORIGINS

As is well known, NI (in its comprehensive view) has its roots in the social sciences, primarily in economics, sociology, and political science. Institutional notions in the disciplines of economics, sociology, and political science were already present in authors such as Veblen,

Commons, Durkheim, Weber, among others (Scott, 1995: 1-15). However, Columbia and Carnegie Mellon were the schools that significantly influenced the development of what is today known as NI (Augier & Kreiner, 2000; Scott, 1995). The former represents the foundation of NSI, and the latter represents the foundation of NPI, and to a lesser extent, the foundation of NEI. Let's take a closer look at the neo-institutional antecedents:

Columbia School

It was not until the mid-20th century that the distinction between institution and organization was recognized, stemming from classical studies by Gouldner, Blau, and Selznick, where the object of study is the organization as a form of bureaucratic organization (Scott, 1995). Among these three authors, Selznick is of particular interest. Under the influence of Merton, Selznick developed the first institutionalist writings. He proposed a distinction between institution and organization: when an organization becomes institutionalized, it tends to acquire a special character and to perform a distinctive role, or rather, a specific incapacity (Selznick, 1996). Over time, organizations transform into institutions and lose their instrumental character (goal achievement), while they enter a logic of survival for the sake of survival itself – regardless of the fulfillment of their objectives and levels of efficiency (Barba & Solís, 1997; Scott, 1995).

Thus, "institutional theory traces the emergence of distinctive forms, processes, strategies, perspectives, and competencies, which emerge from patterns of organizational interaction and adaptation. Such patterns must be understood as responses to internal and external environments"[61] (Selznick, 1996: 271). Therefore, the importance of Selznick's work lies in the emphasis and recognition of the processes of institutionalization, which he defines as "a socially integrated process by which we move from something that is diffuse, unstable, and unstructured to something more agreed upon, stable, and integrated" (Selznick, 2000: 280).

Carnegie Mellon School

Another neo-institutionalist antecedent is found in the Carnegie School (in those days, Carnegie Institute of Technology), where authors such as Simon, March, Cyert, and Williamson developed their initial ideas. Focused on the study of the firm and decision-making, and under an economic and psychological perspective, these authors represent the foundations of the New Political Institutionalism (NPI) and the New Economic Institutionalism (NEI). Specifically, Simon is one of the most influential, as the concept of

[61] Thus, for Selznick, institutional theory does not represent a break with neoinstitutional theory, but rather a continuity: "the 'new' is the reconception of formal structure as densely institutionalized" (Selznick, 1996: 274). However, he differs from the neoinstitutionalists, as they give more weight to "structured cognition," that is, socially constructed mental processes, which help to understand how minds are formed in organizational contexts (Selznick, 1996: 274-277).

bounded rationality is, on one hand, part of the backbone of NEI developed by Williamson[62], and on the other hand, the foundation of NPI developed by March[63] and Olsen.

Specifically: 1) in general terms, NI does not represent a break but rather a continuity and complementarity with the 'old institutionalism'. However, NI starts from new approaches for institutional and organizational analysis, and 2) as can be seen, progress concerning the understanding of organizations is made to a greater extent within NIS and NIP than within NIE. We will now address each of these approaches more specifically.

NEOINSTITUTIONALIST APPROACHES: ECONOMIC, SOCIOLOGICAL, AND POLITICAL

NEW ECONOMIC INSTITUTIONALISM

Two authors are representative of NEI: Oliver E. Williamson and Douglas C. North; let's quickly examine their arguments. Based on the notions of bounded rationality, opportunism, uncertainty, and transaction costs, and under Williamson's influence, NEI emerges as the theoretical stream that, while refining the rationalist postulates of microeconomic theory, "shifts the focus of economic science from the sphere of production to the sphere of the exchange of economic goods" (Del Castillo, 1996: 8). In Williamson's words:

> *"The markets and hierarchies approach attempts to identify a set of environmental factors that, along with a related set of human factors, explain the circumstances under which it becomes costly to draft, execute, and enforce complex contingent contracts. Faced with such difficulties, and considering the risks posed by simple (or incomplete) contingent contracts, the firm may decide to avoid the market and resort to hierarchical models of organization. Therefore, transactions that could otherwise be handled in the market are carried out internally, instead governed by administrative processes" (Williamson, 1991: 25).*

Therefore, one must learn to "think transactionally" (Williamson, 1991: 10) to delve into NEI thinking, as "Transaction cost economics is a comparative institutional approach to the study of economic organization where the transaction is made the basic unit of analysis..." (Williamson, 1989: 387). In concrete terms, NEI focuses on the rules and governance

[62] In Williamson's case, the concept of bounded rationality, along with other concepts such as opportunism, allows him to rework the concept of transaction costs (which he takes from Coase's work), and from there to develop his theory on markets and hierarchies. In this regard, March comments: "As Oliver Williamson would be the first to say, Williamson's version of transaction cost analysis is built in part on ideas outlined in the behavioral theory of the firm" (March, 2000: 291).

[63] In March's case, the concept of bounded rationality constituted the basis from which he delved into the understanding of decision-making and behavior, so much so that recently March has returned "not to the same limited understanding of rationality—which, along with Simon, led to the formulation of a behavioral school of thought in organizational theory—but to a substantive rationality founded more on identity than on calculation, inspired by ambiguity rather than limited by it, and informed by a deep appreciation of the complexities and implications of the processes by which human actors learn, choose, and make sense" (Augier and Kreiner, 2000: 287). In other words, after working on decision-making as the foundation of behavior, March proposes that decision theory must accept "that it deals with people who do not have coherent preferences, who have imperfect cognitive capacity, who follow rules, ..." (March, 2000: 295).

systems developed to regulate economic exchanges, primarily concentrating on the firm/structure level, meaning exchanges move from the market to within organizational frameworks (Scott, 1995: 25-26).

Bounded rationality and opportunism imply that contracts are imperfect and, over time, one of the contracting parties may exploit unforeseen contingencies to their advantage, this way increasing transaction costs. In response, the firm or hierarchy emerges as a reducer of these costs. Thus, in Williamson's terms (1989: 10): "These two behavioral assumptions support the following compact presentation of the economic organization problem: creating contracting and governance structures that purpose and effect economizing on bounded rationality while protecting transactions from the hazards of opportunism." That way, the study of the firm does not deviate from economic assumptions such as individualism, selfishness, and rationality. However, the firm is no longer seen merely as a productive function. What is valuable in this economic institutionalist view is "... understanding how specific attributes of transactions—such as asset specificity, uncertainty, and frequency— give rise to specific classes of economic institutions" (DiMaggio and Powell, 2001: 36-37).

For his part, North, from a historical-economic perspective, conceives institutions as "the rules of the game in a society or, more formally, the humanly devised constraints that shape human interaction" (North, 1993: 13). For North, the introduction of the notion of institutions for the study of economics and history is significant[64][32]. Thus, the link between history and economics is represented by institutions: "Trying to explain the diverse historical experience of economies or the differential performance of advanced centrally planned or less developed economies without resorting to an analysis of the incentive structure of institutions as an essential ingredient seems to me a sterile exercise" (North, 1993: 171). In concrete terms, institutions determine the performance of the economy; hence the importance of their study.

NEW SOCIOLOGICAL INSTITUTIONALISM (NSI)

NSI is characterized by a considerable number of adherents, with the most representatives being DiMaggio, Jepperson, Meyer, Powell, Rowan, and Zucker. A defining feature is their perspective that institutions are ubiquitous—ranging from handshakes to administrative processes—while economic neo-institutionalists "...focus exclusively on economic rules" (DiMaggio and Powell, 2001: 43). Let's delve into some of their most relevant propositions.

A fundamental notion within NSI is that 'institutional rules' affect organizational structures and their performance (Meyer and Rowan, 1992: 22). These rules not only impact organizational structure but also shape it over time through the adoption of rationalized myths. The objective is to legitimize the organization's performance—both

[64] On this subject, North writes, "...neither current economic theory nor cliometric history show many signs of appreciating the role of institutions in economic performance because there has not yet been an analytical framework that integrates institutional analysis into political economy and economic history" (North, 1993: 13).

internally and externally—by making it appear rationally efficient, beyond its actual efficiency (Meyer and Rowan, 1992: 25).

Rationalized yet institutionalized 'myths' legitimize organizations. Thus, for Meyer and Rowan, "...organizations structurally reflect socially constructed reality..." (Meyer and Rowan, 1992: 28). The incorporation of socially rationalized legitimized myths, in other words, institutionalized, implies the legitimacy and stability of the organization, irrespective of its efficiency[65]33. Consequently, the efficient coordination and control of productive activities are not the sole factors for organizational success (Meyer and Rowan, 1992: 34). Otherwise, "organizations with structural elements not institutionalized in their environments should be more prone to failure, as this unauthorized complexity must be justified by efficiency and effectiveness" (Meyer and Rowan, 1992: 43). Another fundamental notion of NSI is that the more bureaucratized a society is—in Weberian terms—the more rationalized myths will be present in the environment (Meyer and Rowan, 1992: 28-29). As these myths become institutionalized, there will be more formal organizations[66] (Meyer and Rowan, 1992: 42).

DiMaggio and Powell (1997), like Meyer and Rowan, are also interested in the environmental effects on organizational structure, but they emphasize explaining structural homogeneity. The formation of organizational fields[67] and the three types of institutional change mechanisms—coercive, mimetic, and normative—are relevant for this purpose. Rather than the institutionalization of structure, their interest lies in the factors that make structural forms tend to resemble each other and the ways in which organizational fields are formed.

In contrast to this 'macro' view, Zucker moves towards a 'micro' perspective, focusing on the processes of institutionalization at the level of interpersonal relationships[68], but within a sociocultural context. For Zucker, then, institutionalization is "... the process by which individual actors transmit what is socially defined as real, and, at the same time, at any point in the process, the meaning of an act can be defined, more or less, as a taken-for-granted part of this social reality."[69] (Zucker, 2001: 129). In this way, NI allows us to think of the organization as an institution in itself—but under a perspective different from that of Meyer and Rowan—to the extent that organizational practices are socially transmitted. Resistance to change and social control are also notions present in Zucker. Specifically, Zucker's

[65] The fact that rationalized myths may not be entirely efficient forces organizations to "...link the requirements of ceremonial elements with technical activities and to reconcile inconsistent ceremonial elements among themselves" (Meyer and Rowan, 1992: 38).

[66] The incorporation of institutionalized environments institutionalizes organizational structure, because such incorporation means that the organization contains institutions within itself.

[67] By organizational field, DiMaggio and Powell mean "...those organizations that, in the aggregate, constitute a recognized area of institutional life: key suppliers, resource and product consumers, regulatory agencies, and other organizations that produce similar services or products..." (DiMaggio and Powell, 1997: 437).

[68] Note the difference with Meyer and Rowan: they are concerned with the processes of institutionalization at the structural/organizational level.

[69] Therefore, "For highly institutionalized acts, it is enough for one person to simply tell another that this is the way things are done." (Zucker, 2001: 126).

proposition is as follows: the higher the level of institutionalization, the less the need for direct social control and the greater the resistance to change (Zucker, 2001: 148-150).

At a more general level—unlike Meyer and Rowan and DiMaggio and Powell—for Jepperson (2001: 195), "The institution represents a social order or pattern that has achieved a certain state or property; institutionalization indicates the process to achieve it ... Therefore, an institution is a social pattern that reveals a particular reproduction process." Hence, the importance of Jepperson's exposition lies in highlighting the essence of the institution, regardless of the various ways to conceive the institution—organizations, practices, abstract regulations. An institution is a pattern to follow; but it is followed because it is socially constructed. Since interests are socially constructed, they are susceptible to institutionalization. Thus, the institution is not only constructed but also constructs; furthermore, it not only constructs but also regulates. Therefore, an abstract notion of institution and institutionalization is useful as a concept that helps to understand processes of social (Jepperson, 2001: 203) and organizational reality. As can be seen, the NSI can be characterized by a variety of perspectives and levels of analysis. The differences with the NEI are enormous. Thus, the analysis of the NSI becomes relevant for organizational analysis.

NEW POLITICAL INSTITUTIONALISM

The NPI finds its main representatives in March and Olsen. Unlike the NEI and the NSI—but maintaining close contact with Zucker's perspective—the NPI has its level of analysis in the organizational sphere. In this way, March himself expresses his institutionalist position:

> *"I believe that the kind of institutionalism I tend to practice is very behavioral in the sense that it is about understanding behavior and decision-making, but it becomes very historical because it specifies that rules accumulate over time and that action is based on rules. Thus, it is behavioral in the sense that it is interested in human behavior, but it is historical and institutional in the sense that it considers such behavior embedded in a large number of rules." ... "The institutionalism that I find interesting ... is the one that drives the understanding of how behavior takes place, how individuals and organizations really behave." (March, 2000: 296)*

While the NSI asks what regulates the formation of organizational structures, the NPI asks what regulates the behavior of individuals in an organizational setting. This organizational setting is hosted within political institutions; in other words, March and Olsen are interested in understanding how political institutions function. For these authors,

the rule[70] is the foundation of the institution;[71] similarly to the NSI, it is considered socially constructed.

Thus, action becomes institutionalized when rules have been institutionalized, which happens through the routinization of practices. In this sense, the fact that most behavior is routinized does not mean that individuals respond automatically or mechanically to situations: "the logic of appropriateness is fundamental to political action" (March and Olsen, 1997: 90). The institution offers a variety of rules, which individuals must interpret to determine which is most appropriate for the situation at hand, based on their role or identity. For rules to be followed, they must make sense to the individual: the interpretation and construction of meaning is essential for the institutionalization of action and rules. Then, in the face of ambiguity, instability, and diversity of preferences, the logic of appropriateness serves as a regulator and constructor of action.

In this way, March and Olsen shift from the logic of consequence to the logic of appropriateness as the explanatory foundation of political institutions. However, the challenge for the NPI lies in understanding the transformation of political institutions as forms of organization characterized by organizational ambiguity since "Institutional transformation is not entirely dictated by exogenous conditions nor precisely controllable through intentional actions. For the most part, institutions evolve through a series of relatively mundane procedures, sensitive to partially diffuse control mechanisms." (March and Olsen, 1997: 267). In this sense —as outlined later— a theoretical link with Crozier and Friedberg's strategic analysis becomes fruitful.

THE NEW INSTITUTIONALISM: AN INTEGRAL FRAMEWORK

Jepperson states that "the importance of the concept institution has not guaranteed its clear and careful use. Some specialists resort to the term institution only to refer to particularly large or important associations. Others seem to identify institutions with environmental effects. And some simply use the term as if it were equivalent to 'cultural' or 'historical' effects" (Jepperson, 2001: 193). This reflects the diversity within neoinstitutionalism. Despite the varied interpretations of the term institution, its foundation lies in the notion of rules. This is a constant across the various neoinstitutional currents. Thus, neoinstitutional thought can be summarized under three perspectives, each implying different types of rules:

Regulatory Pillar

This can be associated with the New Economics Institutionalism (NEI), as it refers to the "regulative aspects of institutions: institutions constrain and regularize behavior" (Scott, 1995: 35).

[70] By rule, March and Olsen mean "... the routines, procedures, conventions, roles, strategies, organizational forms, and technologies around which political activity is constructed. Likewise, the beliefs, paradigms, codes, cultures, and knowledge that surround, support, elaborate, and contradict those roles and routines." (March and Olsen, 1997: 68).

[71] In fact, for these authors, "Political institutions are sets of interrelated rules and routines that define appropriate actions in terms of relations between roles and situations." (March and Olsen, 1997: 252).

Normative Pillar

This can be associated with the New Political Institutionalism (NPI) as it emphasizes "rules that introduce a prescriptive, evaluative, and obligatory dimension into social life" (Scott, 1995: 37). Thus, normative systems guide action through the values and norms they encompass (Scott, 1995: 37). According to Scott, this perspective begins to "move away from the narrow definition of rational behavior. Choice is structured by socially mediated value and normative frameworks" (Scott, 1995: 38-39). Actors are constituted not by their individual interests but by their roles and identities, which compel them to act according to these roles and identities, not because things should be that way, but because their roles and identities are socially instituted as such.

Cognitive Pillar

This can be associated with both the NPI and the New Sociological Institutionalism (NSI) as it "emphasizes the centrality of cognitive elements in institutions: the rules that constitute the nature of reality and the framework through which meaning is constructed" (Scott, 1995: 40). Symbols play a role in forming the meanings attributed to objects and activities; these meanings, in turn, derive from social interaction and are perpetuated – and transformed – as long as they make sense (Scott, 1995: 40). Thus, the cognitive conception of institutions underscores the central role played by the social construction of meanings (Scott, 1995: 45). Therefore, "Institutions consist of cognitive, normative, and regulative structures and activities that provide stability and meaning to social behavior" (Scott, 1995: 33).

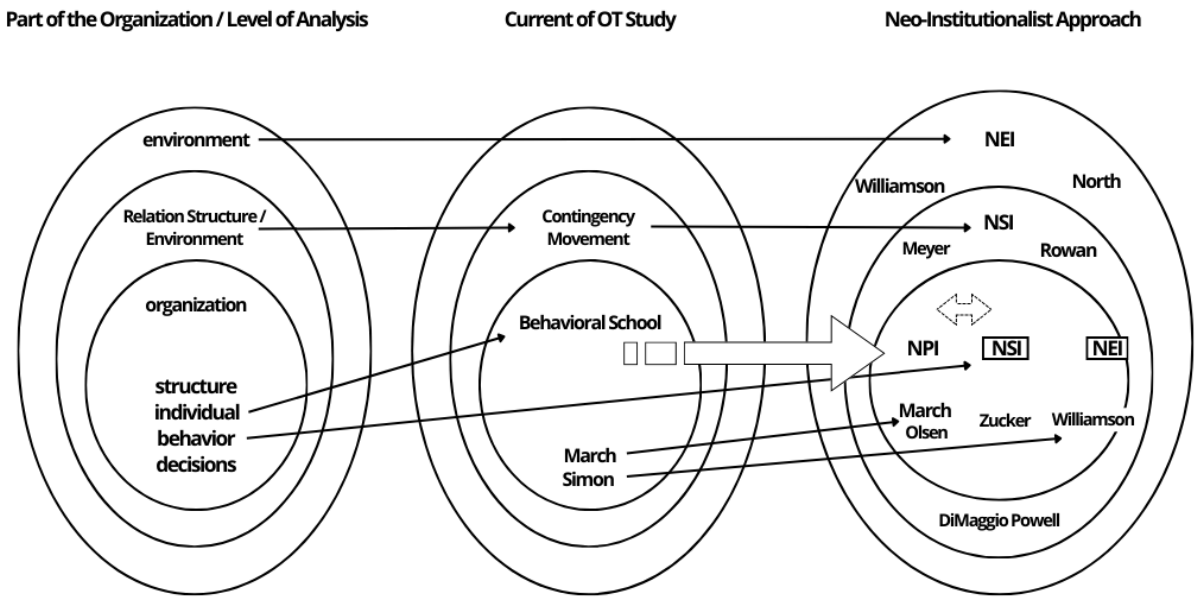
ORGANIZATION THEORY AND NEW INSTITUTIONALISM IN ORGANIZATIONAL ANALYSIS

Next, we will address the implications between Organization Theory (OT) and New Institutionalism (NI) by discussing, on the one hand, the theoretical origins of NI in relation to OT, and on the other hand, the contributions of NI to organizational analysis, highlighting potential research avenues.

THEORETICAL LINKS BETWEEN ORGANIZATION THEORY AND NEW INSTITUTIONALISM

Due to space constraints, the links between OT and NI are outlined in Figure 3. As seen in Table 1, we can associate the theoretical currents of OT with one or more levels of analysis on one hand, and with one or more organizational elements or research variables on the other hand, since each current has a specific level of analysis and has focused on the study of these variables or parts in a specific manner. For the purposes of this analysis, there are two theoretical currents that are of interest due to their relationship with NI: the Behavioral School and the Contingency Movement. The first encompasses the individual and organizational levels and the variables of decisions (decision-making processes), individual, and behavior; the second encompasses the intermediate part between the environmental and organizational levels and the variables of structure and environment.

FIGURE 3. THEORETICAL LINKS BETWEEN OT/NI



Source: own elaboration

Now, the NEI encompasses the environmental and organizational levels. On one hand, Williamson addresses the environmental and organizational levels, and on the other hand, North addresses the environmental level. Similarly, the NEI includes the variables of environment and structure. It is within these levels and variables that its organizational provenance resides. Theoretically, the existing link of NEI is found in the Carnegie Mellon School – especially with Williamson – and therefore it is linked with the Behavioral School.

Regarding the NSI – with the exception of Zucker – it covers the intermediate level between the organization and the environment and the variables of structure and environment. Although it does not maintain a well-defined theoretical provenance, it does maintain a close relationship with the Contingency School. Concerning Zucker, he addresses the individual level and the variables of individual and behavior, which could relate him to the Behavioral School and to a significant extent with the NPI approach.

Regarding NPI, rather than being related to the Behavioral School, it represents—along with the theories of organizational ambiguity—a development of that school. The levels and variables are the same for both, with March being the common denominator among the representative authors of the Behavioral School and New Political Institutionalism. The following are some of the contributions to the knowledge of organizations made by NI.

CONTRIBUTIONS, LIMITATIONS, AND POSSIBLE RESEARCH AGENDAS OF NEW INSTITUTIONALISM IN ORGANIZATIONAL ANALYSIS

Regarding NEI, it can be said that its contribution to the knowledge of organizations is minimal. This is because, while NEI represents an effort to consider the firm—that is, the organization—as something more than a mere production function, it fails to move away from its rational economic vision by conceiving the firm as a reducer of transaction costs, overlooking its complexity. As Organization Theory and Organizational Studies have shown, the firm can be considered as something more than just a simple instrument for regulating transactions.

Therefore, NEI represents more of an advance for economic science than for OT, and OT in turn represents an advance in understanding the firm for economics. In the words of Williamson himself: "Transaction cost economics can benefit from the infusion of more organizational content. More generally, economics should engage in a dialogue with organization theory" (Williamson 1989: 402)[72]. However, from an organizational insight, NEI can contain interesting reflections for the study of organizations. For example, beyond formal and informal relationships, what is the real weight of the contractual relationship for organizational order? It could also, through a historical analysis of contracts, study organizational learning and organizational change. Additionally, under a symbolic perspective, both the exchange of symbols—as transactions—and their influence on organizational action, as well as the construction of meaning in transactions, could be studied.

On the other hand, unlike NEI, NSI represents a greater degree of advancement in the understanding of organizations. As discussed, in general terms, NSI focuses primarily on the relationship between environment and structure; from this perspective, it constitutes an advancement over the organizational knowledge generated by the Contingency Movement in at least two ways.

The first has to do with the concept of organizational fields. Studying how organizational fields are constructed allows us to understand how organizational environments are constructed, considering organizational fields as organizational environments. Thus, unlike contingency theory, which assumed an environment that determined organizational structure, NSI offers the possibility to study the organizational environment itself. This is relevant because it will enable a better understanding of the interstices between environment and structure. The formation of an organizational field, as an organizational environment, would allow for a better understanding of the historical formation of organizational structure, thus recovering the historical factor. Another relevant factor derived from the concept of organizational field is that it allows for rethinking organizational boundaries from a different perspective. It permits thinking not about the

[72] Beyond the theoretical implications, as Arellano (2000: 47) explains, NEI has practical implications for social and organizational reality. That is, when the assumptions—rational economic ones—for understanding reality become the goal, the objectives of reality itself can be negatively affected. An example of this can be seen in accreditation systems and economic incentive programs at universities.

boundaries of organizations but the boundaries of organizational fields, thereby allowing interorganizational relationships to be reconsidered as well.

The second has to do with the notion of organizational environment/context. NSI allows for expanding the notion of environment proposed by the Contingency Movement by including diverse institutional frameworks, such as rationalized myths: it shifts from technical environments to sociocultural environments. Thus, "... public opinion, educational systems, laws, courts, professions, ideologies, technologies, regulatory structures, people and rewards, certification and accreditation bodies, governmental requirements and approvals..." (Scott, 2001: 219) become integral parts of organizational environments. Therefore, under a contingency logic, expanding the organizational environment implies reconceptualizing the organizational structure. Specifically, with NSI, the organization's structure acquires a sociocultural character. The fact that the organization's structure is institutionally shaped implies rethinking—among other aspects—organizational processes.

Despite these advances in understanding organizations, Zucker (2001: 150) writes: "Most institutional research at the macro level studies indicators of the effects of the institutional environment on some aspect of organizational structure or activity... The process by which this occurs remains a 'black box.' To establish that an organization's structure is institutionalized as rationalized myths are incorporated by organizations, and not to explain the internal process of institutionalization, that is, not to refer to the mechanisms by which individuals internalize new practices—rules—and act based on them, implies falling into determinisms".[73]

As mentioned, Zucker advances in understanding institutionalization processes and stimulates the formulation of some questions: When can it be said that an organization is institutionalized, and when can an organization be conceived only as a system of direct social control?[74]42 Or is direct social control a form of institution in itself? What is the limit between institutionalized action and the exercise of power as the foundation of organized action? Can the institution be considered a mechanism of power, or does the institution imply the absence of the exercise of power? Does the institution mean a social construction of power? Meanwhile, Jepperson's abstract conception of the institution allows for the following questions: How do institutional principles come to life organizationally? How do organizational forms that reproduce these principles transform over time, responding not only to institutional requirements but also to their own needs?

Now, it is the NPI that surpasses both the NEI and the NSI in describing institutionalization processes. However, its emphasis is on explaining the functioning of institutions—political institutions—through individual behavior. In this sense, the NPI allows for conceiving organizations as institutions in themselves and explaining organizations in institutional terms. Under the NPI approach, some pertinent questions

[73] In this sense, the critique of the Contingency Movement for its structural determinism could also be extended to NSI.

[74] The Hawthorne experiments at the Western Electric Company are illustrative in this regard, as they allow for reflection on this question: how can the predominance of the group over the individual—as direct social control—be differentiated from institutionalized organizational practices?

arise: What types of logics of action can explain organizations/institutions? Do specific logics of action correspond to specific organizations/institutions?

A final reflection, an approach between the NSI and the NPI, for example, an amalgamation between the environmental and organizational levels—is pertinent to organizational analysis. This approach can take as a reference point the strategic analysis of Crozier and Friedberg (1990). To the extent that the regulation mechanisms of concrete action systems integrate both institutional environments and actors' logics of action into their analysis, we would be equipping ourselves with a powerful theoretical-methodological tool for studying organizations. At the same time, criticisms of determinism that may be attributed to the NSI could be nuanced. Similarly, the analysis of power relations absent in neoinstitutional analysis would come to the forefront.

In conclusion, with contributions, limitations, and possible research avenues, the NI has enriched the knowledge and study of organizations. Seeking novel forms of feedback between Organizational Theory, Organizational Studies, and the Neoinstitutional branch is relevant to addressing and debating questions such as: What does it mean to live in a world of organizations and institutions? Do we develop in a world of institutionalized organizations or organized institutions? What are the implications of the answers to these questions for the study of organizations and for the study of society?

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