POINT
COUNTERPOINT

Does Institutional Theory Need Redirecting?

Renate E. Meyer and Markus A. Höllerer

WU Vienna University of Economics and Business & Copenhagen Business School; The University of New South Wales

ABSTRACT   Greenwood, Hinings and Whetten (2014) present two major criticisms of current institutional scholarship, and see need for a broad redirection: institutional organization theory, they argue, has lost sight of the claim to study organizations and, with its overwhelming focus on isomorphism and similarity, has fallen short on adequately theorizing differences across organizations. In our article, we offer support as well as a riposte. First, while we agree that the organizing of collective efforts needs to be at the core of organization research, we warn that focusing on formal organization – a rationalized cultural product itself – may direct attention away from studying alternative modes of organizing, and underestimates the dynamic developments that have transformed contemporary organizations into increasingly complex objects of inquiry. Second, we are concerned that, by abandoning the analysis of similarities in favour of differences, institutional theory may eventually lose sight of its pivotal quest: to study institutions.

Keywords: archetypes, bundles of practices, institutional logics, institutional theory, organizing

INTRODUCTION

Greenwood et al. (2014) join the recent critique of organization theory – an old debate recently rekindled by special issues or sections in several renowned journals – and direct our attention to one of the most vibrant theories of the last decades: institutional theory. Their article suggests that current institutional scholarship has lost its way and is in need of substantial redirection. First, they note that much of institutional research has lost sight of the claim to study organizations and is exploring field-level institutions and processes instead. Institutional theory, so the central argument goes, has to re-establish the organization as its dependent variable in order to remain an *organization* theory. Second, they criticize that institutional theory tends to treat 'all organizations as though they are the same' and therefore 'ignore[s] the obvious heterogeneity of organizations'. Instead, we

need to theorize, say the authors, about the *differences* across organizations. As a remedy, they propose a renewed research agenda. Although they summarize it in just two points (understanding organizations and focusing on organizational heterogeneity), on closer inspection, it is actually an encompassing spectrum that Greenwood et al. demand institutional scholarship should address: (1) probe more deeply into the 'inner workings' of organizations (i.e., how organizations are structured, managed, and coordinated); (2) look at the organization 'as a whole', and explore the role of organizations as actors; (3) understand the various organizational arrangements across institutional spheres and/or fields; and (4) return to comparative analysis.

We read Greenwood et al. less as a – as they themselves categorize it – 'challenge to current institutional scholarship', but as a call to recollect core aims and strengths. We are very sympathetic to this endeavour and share several of their points – although not all of them.

So, broadly speaking: *d'accord*. However, and in the tone of Greenwood et al.'s own article, we add 'yes, but . . .' to their call, suggest some other recollections that we encourage institutional scholarship to consider, and point out some routes we advise not to take. Our response is threefold. First and foremost: without doubt, institutional *organization* theory ought to focus on *organization*. However, if we are to refocus on organizations in the way demanded in the article, will we not miss some of the more substantial questions and developments that impact contemporary organizational arrangements and designs? Second, institutions are, per definition, related to more durable typifications and patterns (Berger and Luckmann, 1967; Hughes, 1936). Although, admittedly, differences, change, or heterogeneity may seem more exciting compared to similarity, stability, resilience, or homogeneity, we want equally to emphasize that *institutional* organization theory ought to make sure not to lose sight of its central claim to study *institutions*. Last, but not least, and spanning both aspects: while Greenwood et al. raise very important points, we question whether some of them are not already on the current research agenda of institutional theory, while others may lead institutional theory outside its explanatory domain into territory where other theories seem better equipped. Linked to the latter concern, we also address the inflationary usage of institutional terminology that is at odds with the overall objective of systematic accumulation of knowledge.

IN SEARCH OF THE ORGANIZATION

The concern that we have digressed from actually studying organizations is shared by other commentators. For example, King et al. (2010) see many of the problems of current organization research as originating in the fact that we have forgotten, or ignored, 'the *noun-like, enduring, and distinctive* qualities of organizations as actors' (p. 291, emphasis in original) (see also Walgenbach, 2011). We concur with Greenwood et al. that a central aim is to understand the organizing of collective efforts and 'how collective purposes could be achieved through the panoply of structures and processes of organization'. We also fully agree with the broader *societal* agenda for institutional research – that is, the objective of better understanding the organizational arrangements in different institutional spheres. Such an aim is very much in the spirit of Max Weber, who has

drawn our attention to the increasing rationalization of society and the different value spheres that serve as orientation for such rationalization. We are, however, reluctant to blank endorse a refocusing on organizations as entities and actors, and on individual organizations in particular (even in comparative designs) – *especially* with a view to this societal agenda and the inter-institutional nature of society.

There are several reasons for our scepticism. First, a refocus in the way the authors suggest tends to take for granted one particular mode of organizing: formal organization – a form that is, even when deeply institutionalized, a cultural product. Second, our unease in this respect increases when organizations are personified by overemphasizing their actorhood. Third, a narrow focus on organizations as distinct entities is at risk of neglecting the developments that have transformed modern organizations into increasingly complex and multi-layered objects of inquiry, and make the 'organization as a whole' (Greenwood et al., 2014) an unruly unit of analysis. Fourth, we affirm that the logics perspective (e.g., Thornton et al., 2012) currently provides one of the most viable frameworks within institutional theory, especially when it examines the 'institutional imperialism' associated with the spread of this particular form into other institutional spheres, and the impact this has on the overall constellation of institutional regimes within society. However, as we will argue, research here currently suffers from too much heterogeneity and needs a more systematic accumulation of knowledge. Finally, we raise doubts as to whether an incorporation of contingency and configurational approaches into institutional theory will provide a promising blend. Below, we elaborate on these thoughts in more detail.

Organizing Collective Efforts and Organizations

A pivotal point in Greenwood et al. is the insight that each institutional sphere (or, as they prefer, societal-level institution) is associated with a specific archetype of organizing – that is, distinctive prescriptions 'of the way that collective purposes should be defined and of *how those collective purposes should be organized and accomplished*' (our emphasis). Organizations are not necessarily the key to such an endeavour. A focus on the organization as a distinct, formal, incorporated, and legally defined entity – and this has been the specific type most organization research has come to concentrate on – narrows our perspective to *one* particular form of organizing, managing, and structuring collective activities. What is more, this happens to be the archetypal arrangement that originated in the economic sphere and has been *the* rationalized form of organizing in modern capitalism (Weber, 1978; see also Meyer and Rowan, 1977).

Organizations are, as a general institutionalized category, a socially constructed phenomenon that has been endowed with agency and considerable power. What they share with most institutions is that they are the outcome of contestation and essentially political in nature. A prescribed concentration on formal organizations as dependent variable tempts to take for granted the existence and the characteristics of this particular institution, as well as its increasingly widespread use in a variety of institutional spheres and societal settings (like, for instance, the state or religion). It also directs attention away from studying alternative modes of organizing collective efforts – that is, from the study of 'organization outside organizations' (Ahrne and Brunsson, 2011; Holt and den Hond,

2013). This is, as we read their article, clearly not what Greenwood et al. have in mind, since they urge us to examine 'how logics from one societal institution – especially those of the market – penetrate another'.

Thus, the (re-)focus should not be on organizations or even organizational forms – but on forms of organizing and their interrelationship with institutions. That more families or state entities begin to look and act like organizations than economic organizations look and act, for instance, like families (the same, however, not being true for corporations beginning to act like states), is a refraction of processes that are changing the overall configuration of society. What, for us, is just as fundamental as the question 'how organizations are managed and co-ordinated' (Greenwood et al., 2014) is how, why, and when (i.e., under which conditions, and in what specific form) formal organizations become the dominant arrangement of organizing collective efforts in the first place. Along these lines, we encourage more institutional scholarship that explores the taken-for-granted aspects of our current understanding of formal organizations, analyses novel, 'subdued', or alternative forms of organizing, and critically examines the actorhood of organizations.

From our point of view, these are essential lines of inquiry where more research is needed. But is such theorizing indeed in its infancy and a 'decidedly minority interest' (Greenwood et al., 2014)? A number of scholars working in the institutional theory tradition have already begun to tackle such questions. For instance, Djelic (2013) shows how one of the constitutive and taken-for-granted elements of the modern capitalist corporation – ownership associated with limited liability – has been a fiercely contested issue over many decades and was originally limited to organizations that pursue matters of public interest. From a critical management perspective, Veldman and Willmott (2013) ask a similar question. Other scholars study novel and alternative forms of organizing collective efforts (see, for instance, Schneiberg (2007) on cooperatives; Lounsbury (2007) on community banking; or the rich case studies on the emergence of new forms in Padgett and Powell (2012)). Again, others (e.g., Drori et al., 2006; Meyer and Bromley, 2013) link organizational expansion in a wide range of domains to the increasing rationalization of society under a predominantly economic rationale, or have explored how the not-for-profit (e.g., Meyer et al., 2013) and the public sectors (e.g., Brunsson and Sahlin-Andersson, 2000; Meyer and Hammerschmid, 2006) have changed by importing formal organizations and their organizing principles. These changes entail a far-reaching transformation of the architecture of states, which nowadays present themselves as complex landscapes of pluriform organizations in which sovereignty is fragmented and challenged.

So while Greenwood et al. point out the right direction with their call to refocus on the ways that collective purposes are accomplished, as well as with their attention to the plurality of archetypes of organiz*ing*, the concentration on organiz*ations* and how they are designed and managed may fall short of their own aspiration.

Inner Workings of Organizational Actors

Meyer and Bromley (2013) observe that 'traditional bureaucracies, family firms, professional and charitable associations . . . are transformed into managed and agentic formal

organizations' (p. 366). Such managed organizations are constituted by an array of general and universalistic principles, and constructed as purposive social actors. This leads to another topic preeminent in Greenwood et al.'s article: their call to treat organizations as actors. No doubt, it is important to acknowledge that organizations are not only a form of coordination (like networks and markets), but also decision-makers with specific goals, and strategies (which networks and markets are not; see also King et al., 2010); and we do not deny that we need to understand their role as collective social actors within society. Having said this, we equally ought not to forget that organizations are a socially and legally constructed type of social order, and that they remain political constructs, despite being endowed with actorhood.

Analysing organizations as actors may be, as King et al. (2010, p. 292) emphasize, 'appropriate because the features that distinguish humans as actors are functionally equivalent to the features common to organizational actors'. Nonetheless, although organizations are often given human attributes, they are not natural entities – let alone natural persons. Overemphasizing their actorhood and personhood through biological or even anthropomorphic analogies or metaphors reifies organizations and conceals what distinguishes them from individuals, namely that, for instance, their existence is more malleable (i.e., they can be merged, liquidated, and newly incorporated, but they cannot be sent to prison). And such tropes will hardly push us to end the 'stubborn silence' of institutional theory on issues of social power (Greenwood et al., 2008, p. 3), or to examine the 'ideological structure of organizations' (Hinings and Greenwood, 2002, p. 415). On the contrary: they evoke the image of consensus and tend to naturalize the intra-organizational distribution of power, privilege, and inequality, thereby helping to legitimate existing structures of domination within organizations (e.g., Tinker, 1986; Türk, 1995).

These issues become more worrisome when organizations are not only regarded as actors but increasingly thought of as *citizens* (see, for instance, the debate on 'political corporate social responsibility'; for an overview, Scherer and Palazzo, 2011). Our point of view is straightforward: organizations do not have a political opinion; they should not be granted citizen rights or the fundamental human rights of natural persons. Corporations being granted freedom of speech is an utterly alarming development that organization theory needs to address. Thus, when Greenwood et al. (2014) urge us to 'dig into the inner workings of organizations' *and* to 'treat organizations as actors', we are inclined to suggest a modification: dig into the inner workings of organizations *especially when* treating them as actors.

Organizations: An Increasingly Unruly Unit of Analysis

The examples provided by Greenwood et al. to point out the heterogeneity of organizations – i.e., Mayo Clinic, General Motors, Museum of Modern Art, Emirates, Leeds United, and Apple – have one thing in common: They are well-established entities that fulfil the 'classic' characteristics of organizations such as their decision-making capacities, purposefulness, boundedness, relative durability, and identity. These are all features inherent in the notion of actorhood as outlined above. For these entities, it is not too difficult to envision what is meant by a focus on the 'organization as a whole' and on the 'organization *per se* as important level of analysis'.

However: the organizational landscape has changed significantly in recent decades. With the global rise of finance capitalism, the once mighty corporate flagships we tend to have in mind when envisaging Selznick's 'organizations as institutions' have appreciably lost influence and are no longer at the forefront of technological innovation and social development. More complex constellations of networks or business groups as well as ephemeral and fluid forms of organizing, resulting in a 'daunting complexity of contemporary organizational designs' (Greenwood and Miller, 2010, p. 81), are about to supersede them – to an extent that scholars even postulate that the post-industrial society will essentially be a post-organizational society (Davis, 2009), or that the 'society of organizations' is incrementally being replaced by a 'society of networks' (Raab and Kenis, 2009). Be that as it may, many of the novel forms of organizing only partially resemble classic organizations, and in many cases we struggle to define clear organizational boundaries. If we are to focus on the 'organizational level', what is then, in such cases, the relevant unit of analysis?

Let us be more specific and give a few examples. Greenwood et al. encourage us to examine 'not just the overall shell'. But what if the organization is so ephemeral that it is but a shell; if its 'ontological status . . . is closer to that of a Web page than an organism' (Davis, 2009, p. 41)? How do we define the organizational level, for instance, in the case of offshore companies (i.e., organizations that are literally referred to as 'shell companies'), or organizations such as WikiLeaks (e.g., Logue and Clegg, 2014), or when analysing terrorism (e.g., Mayntz, 2004)? With forms of organizing described as 'network' (e.g., Powell, 1990), 'modular' (e.g., Sanchez and Mahoney, 1996), 'heterarchical' (e.g., Stark, 1996), 'semiformal' (e.g., Biancani et al., forthcoming), 'hospitable' (e.g., Svejenova et al., 2013), or 'meta-organizations' (Ahrne and Brunsson, 2005; Gulati et al., 2012), the boundaries of organizations (e.g., Santos and Eisenhardt, 2005) become metamorphic and porous. In particular, the more 'fluid' forms of production (e.g., Schreyögg and Sydow, 2010) and the 'crowd' and 'open' euphoria in literature and practice – let us think here of 'value co-creation', 'crowd-sourcing', 'open innovation', 'open government', 'sharing economy', or 'open source' communities – make it difficult to identify coherently bounded entities and challenge some of the key characteristics of classic organizations. Organization theory, and institutional theory in particular, has also remained relatively silent in regard to complex designs of business groups where entangled cash flows or interweaved structures of influence and control often make it difficult to locate actorhood and boundaries. To understand their architecture and functioning, however, is crucial in modern economy.

Taking all these developments into account, the organization proves to be an equally fascinating and defiant unit of analysis. At the core of Greenwood et al.'s article is the encouragement to refocus attention to organizations. We reply: this is anything but easy.

Logics and Levels

Societies are inter-institutional systems, with each of the institutional orders having their own central logic (Thornton et al., 2012). In any society, at any given point in time, different '*Leitideen*' (Lepsius, 1997) or 'substances' (Friedland, 2009) provide value-orientations and criteria of rationality (Weber, 1978) with complex interdependencies

and overlapping domains of jurisdiction. Greenwood et al. (2014) strongly endorse the institutional logics perspective, but take issue with the predominant field-level approach of most current work along these lines. Instead, they encourage the studying of differences between organizations and to 'compare *across* institutions in order to identify the differences in their archetypal organizational forms'. While we are convinced that much value lies in such theorizing, we believe that restricting research to the organizational level with organizations or archetypes as dependent variable deprives this perspective of its full potential to provide insights into the interrelationship of organizing, organizations, and institutions.

Especially the literature on institutional complexity (e.g., Greenwood et al., 2011) has inspired a plethora of studies that focus on coexisting or competing logics. In fact, it has inspired scholars to such an extent that we currently face a vast and increasingly confusing mound of research on divergent issues and phenomena, from differing organizations, fields, and cultural settings. Recent elaboration of the framework (Thornton et al., 2012) has certainly contributed to more clarity; nonetheless, 'institutional logic' has become the new buzzword in institutional research and, in our opinion, currently suffers from too much heterogeneity, especially with regard to the definition and identification of institutional logics. What is missing – and this is where we concur with Greenwood et al. – is an encompassing systematization that would help to accumulate findings and knowledge.

Building on Thornton et al. (2012), we suggest that a basic distinction between inter-institutional and intra-institutional heterogeneity and complexity may be a first step to classify research findings (and thus contribute to a more systematic theory building): competing and complementary organizing principles exist not only across the different institutional orders (i.e., *inter*-institutional), but also within one institutional order across different cultural contexts (i.e., *intra*-institutional). The first studies, for instance, how an intruding market logic conflicts with, or is impacted by, a professional, family, and/or bureaucratic state logic (e.g., Greenwood et al., 2010; Reay and Hinings, 2005; Thornton, 2002). The second investigates, for instance, how plural orientations coexist over a considerable period of time within one profession (e.g., Dunn and Jones, 2010) or within the same industry (e.g., Lounsbury, 2007), how an Anglo-American market logic with its distinct governance mechanisms encounters the coordinated market economy of continental Europe (e.g., Fiss and Zajac, 2006; Meyer and Höllerer, 2010), or how North American conceptions of the state infiltrate European notions of the public interest or public service ethos (e.g., Meyer et al., forthcoming). In other words: *inter*-institutional research tackles how complexity, contradictions, and complementarities may arise from overlapping areas of jurisdiction across the institutional orders on Thornton et al.'s (2012) 'horizontal *X-axis*'. *Intra*-institutional research adds 'depth' by accounting for intercultural heterogeneity and by addressing how complexity may equally arise from the differences in how the categorical elements on the 'vertical *Y-axis*' are 'filled' across different cultural contexts.

Such a primary distinction could also help classifying research on hybridity: for example, hybridity of identities within (e.g., Lok, 2010) or across (e.g., Meyer and Hammerschmid, 2006) institutional orders (for hybrid organizations see, for instance, Battilana and Dorado, 2010; Pache and Santos, 2013). In addition, especially with

regard to intra-institutional heterogeneity, we also see great opportunities to strengthen the link to other institutional strands, such as comparative institutionalism (e.g., Morgan et al., 2010), or international business (e.g., Kostova et al., 2008).

Thus, to conclude: we agree that we need more scholarly work in this area. Yet to increase our conceptual knowledge effectively, such research must go beyond the working of multiple institutional logics inside organizations or differences in organizational archetypes, and systematically address the interrelationship of organizing efforts and institutions on all levels of analysis both *across* societal institutions as well as *within*.

The Return of the Archetype

Greenwood et al. criticize that while 'contingency studies . . . looked not at the adoption of isolated practices and/or particular structures but at the organization taken as a whole', 'when institutionalists touch upon organizations they do so only to show the adoption of particular structures or practices, and do not really dig into the organization in an effort to understand how field-level processes affect actual behaviour'. It has indeed become tiring and repetitive to follow yet another study on the diffusion of an organizational practice, and it holds true that most of these studies ignore the interrelatedness of structures and practices on the organizational and/or field level both diachronically (i.e., over time) and synchronically (i.e., in relation to other, already existing structures and practices). Thus, we second Greenwood et al.'s critique – although one may want to remember that contingency theory was not exactly famous for a holistic approach and, ironically, shares with institutional diffusion studies the fate of being accused of reductionism and isolation of organizational components.

Conceptualizing organizations as an assemblage of more or less institutionalized practices of organizing and managing – some of them unique for a specific organizational setting, and others that 'come to be littered around the societal landscape' (Meyer and Rowan, 1977, p. 345) – is not new. The configurational approach to organizations (e.g., Meyer et al., 1993) that the authors bring to mind aimed at such a view of organizations that perceives them as constellations of interrelated practices and structures. Greenwood and Hining's (1993) important contribution to the notion of such archetypes was to link them conceptually with the underlying interpretive schemes that they embody. Against this backdrop, it becomes clearer where Greenwood et al.'s Point is heading: institutional logics provide the interpretive schemes that cause organizational attributes to cluster into distinct configurations or archetypes; in addition, on the field level, logics interact with contingency factors to shape organizations. Apart from the fact that this evokes an equally ambitious and delicate ménage à trois with three partners – contingency theory, configurational approach, and institutional theory (in its reincarnation as the logics perspective) – who, in the past, had only very limited love for each other, we doubt that the intellectual staleness of institutional diffusion studies can be overcome with a remake of contingency studies starring institutional logics.

The main shortcoming of existing diffusion and translation studies has been that they underplay interrelatedness and overly decompose – that is, they are set up as if the adoption of the one structural component or practice they analyse happened in a vacuum. The configurational approach, while focusing on such interrelations, was

suffering from assuming too much consistency and coherence among the different organizational elements. Such elements, we maintain, may be interlinked through all sorts of relationships: they may support or compete with each other, be complementary, antagonistic, or neutral, supersede each other or hybridize, and so on; all this can pertain to norms, objectives, methods, or target groups and/or areas within the organization. With its ambition to tie down the overall *Gestalt* of the organization in a holistic way, the configurational approach was probably aiming too high. Instead, we suggest a more modest aspiration: to proceed from the 'atomistic' view of institutional diffusion and contingency studies to a more 'molecular' one with assemblages, or 'bundles', of structures and practices as higher-level building blocks. Despite some prior work that points in this direction – for example, the idea that organizational practices and structural elements come in families (e.g., Abrahamson and Fairchild, 1999), that bundles of antagonistic practices are strategically used to handle situations of institutional complexity (e.g., Höllerer et al., forthcoming; Meyer and Höllerer, 2011), that prior (non-)adoption later influences adoption when they embody the same institutional logic (e.g., Shipilov et al., 2010), or that new ideas are interpreted through their conceptual linkage within an 'ecology' (Wruk et al., 2013) – we concur with Greenwood et al. that all this is more or less a white spot on the institutional logics research map, and awaits further attention and theorization.

IN SEARCH OF INSTITUTIONS

Greenwood et al. take issue with what they see as a presumption of similarity and sameness in institutional analysis, and prominently call for comparative research that examines variation and 'organizational difference, *not* similarity' (our emphasis). We are, admittedly, quite reluctant to follow this route. There are, in short, two main reasons. The first reason addresses the very essence of institutions and culminates in our concern that by turning away from similarities, we will eventually lose sight of institutions. The second, related point tackles the downside of the popularity of institutional theory, namely the inflationary use of the label 'institutional'.

Across all conceptual approaches, and despite all differences between the various schools of thought, notions of recurrence, typification, solidified patterns, and relative durability are at the core of what institutions are. Hughes (1936) already noted that 'the only idea common to all usages of the term "institution" is that of some sort of establishment of relative permanence of a distinctly social sort' (p. 180). Thus, a certain degree of similarity among an institution's various enactments – some kind of 'family resemblance' – is inherent in the very notion of 'institution'.

Greenwood et al. take some effort to construct a case for a presumption of difference. We are, in the spirit of Berger and Luckmann (1967), more than willing to assume that variation is a given and order is fragile: no act can be performed twice in exactly the same manner; no two enactments of one and the same institution – even the most ritualized ones – are, at close sight, identical. There will always be differences in setting, context, time, or actors involved (see also Drori et al.'s (2014) notion of 'sameness-cum-variation'). Sameness is illusionary, and homogeneity and similarity are just as precarious and in need of explanation as are heterogeneity and variation. Clearly, and quite

understandably, at a time when management research in general celebrates agency, entrepreneurship, and innovation, differences and deviation seem more attractive. We do not deny here that exploring and comparing, for instance, how organizations respond differently to environmental pressures, will yield interesting findings. However, difference and heterogeneity *per se* are not enough to account for an institutional perspective. From an institutional perspective, the distinction between genotypic and phenotypic heterogeneity and variation is central. Institutional theory has explanatory power only if the differences are, in one way or another, related to an institution, that is, if there is a typification at the centre of the research interest. It is in this sense that we want to interpret Greenwood et al.'s appreciation of the search for typologies and classifications, as well as their call for reorientation: to understand and explain scope conditions under which organization *similarly differs*, and not as a celebration of differences for their own sake.

Don't get us wrong. The absence of a focus on institutions is not necessarily problematic for organization research: not every puzzle can – or should – be solved with an institutional explanation. And not every research question falls within the domain of institutional theory. We are concerned that too strong a focus on differences, together with a look inside the organization, will lead institutional theory into areas where its explanatory power is limited, and where other theoretical traditions are better positioned to answer the questions asked.

This brings us directly to *our* central critique of much of the current literature on institutional theory: the inflationary use of the label 'institutional', combined with a lack of clarification as to what makes research and analyses institutional. While Greenwood et al. have difficulties in seeing the organization in a lot of current institutional organization research, we equally struggle with finding the institution. Institutional terminology seems to have become a prefix used to signal desired membership in a certain research community, rather than indicating the actual study of institutions. We would like to see more careful consideration when research tackles, for instance, issues of institutional change versus organizational change; elaboration of what distinguishes institutional work from non-institutional work and 'common' action, or institutional entrepreneurship from 'ordinary' entrepreneurship; and the realization that not every study that includes sense-making, framing, or (inter-)subjective rationalities addresses institutional logics.

We maintain that just as there needs to be, for organizational theory, a concern with *organizing*, to be a matter for institutional organization theory there also needs to be an *institution* at the focus of the research question – be it as the dependent or the independent variable. This has been, and remains, the 'added value' of our line of scholarly inquiry within broader organization theory.

CONCLUDING REMARKS

'Is the contribution of institutional thinking restricted to pointing to the legitimacy or otherwise of archetypal forms? We don't think so' very well sums up the concerns that Greenwood et al. have with current institutional theory – and we agree in this respect. But is institutional theory actually in need of redirection, and should it focus on organizations and differences across them?

In our Counterpoint, we have examined the issues the authors raised. We certainly concur that organization has to play a central role in organization research, and find much value in the avenues outlined in the Point. We see, however, neither a necessity to confine the institutional research agenda to studying organizations as the dependent variable, nor a need to restrict ourselves to the organizational level of analysis. At the same time, a focus on differences and heterogeneity as well as an underestimation of similarities and homogeneity is, in our opinion, at risk of deflecting attention away from institutions. In our view, as long as organizing efforts and institutions – on all levels of analysis – are central elements of either the dependent or independent variable, institutional theory is well on its way, and we see neither need nor urgency for redirection.

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