

Framing Work in Metacompetition

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Abstract

Existing research studies competition among organizations, but normally takes as a given the formal and informal “rules of the game” governing competitions. Yet, these “rules” are often determined through a prior, higher-level competition over the game to be played. Such “metacompetitions” determine who can compete, what kinds of competitive moves can be made, what criteria will be used to evaluate competitors, and what will be the payoffs to competitions. By prevailing in metacompetitions, organizations gain the advantage of competing in a game for which they are well suited, and the disadvantage of rivals who find themselves playing the wrong game. This essay notes that organizations engage in framing work to influence the outcome of metacompetitions, and argues that this behavior shapes the distribution of strategies that we observe among organizations in competition.

Research in the sociology of organizations and economic sociology often features models of organizations in competition. While this work looks at competition from various theoretical perspectives, ranging from ecological models of organizations to network research to models of organizational learning, in general researchers portray competition as favoring some organizations over others according to one or another logic. For instance, ecological models of scale-based competition predict distinct forms of advantage for large and small organizations (Carroll, Dobrev, & Swaminathan, 2002), while social structural models predict advantage for organizations in key network positions (Stark & Vedres, 2012). But regardless of perspective, researchers typically take as a given the underlying logic governing competition.

Yet, the underlying logic governing competition is a key question that, itself, is often decided through a prior competition. In this sense, competition occurs at two levels. Most apparently, we see competition among organizations trying to outperform each other in any given context: bank versus bank, university versus university, political party versus political party. But all such competitions are premised on the outcome of a higher level *metacompetition*: a competition over the game to be played (Barnett,

2008, p. 28; 2017). Who is allowed to call themselves a “bank,” and then play in the game? On what criteria are universities competing (teaching, research, job placements ...)? Is the political contest to be winner takes all, or can smaller parties reap a proportionate reward? Answers to questions of this sort establish the game to be played, and so determine in large part who will and who will not stand a chance of winning. Metacompetition over these questions is therefore crucial, as summed up in the aphorism often attributed to nineteenth century American politician William “Boss” Tweed: “I don’t care who does the electing, so long as I get to do the nominating.”

In this essay, I outline how we can go about advancing research into metacompetition, focusing especially on the importance of “framing work” by organizations. Since Goffman (1974) introduced frame analysis as a systematic approach to understanding how social actors portray and interpret aspects of life, the idea can be seen in theories of sense-making throughout social psychology and sociology. Especially relevant here is research on framing work that attempts to shape and align understandings among and within organizations (Snow, Rochford, Worden, & Benford, 1986). I argue here that by considering the role of framing work in metacompetition, we can better understand the resulting distribution of strategies and organizations in a particular context.

Specifically, when alternative logics of competition vie for prominence, various actors are likely to attempt to influence this metacompetition. Such contestation among logics involves framing work, as actors attempt to strategically shape perceptions of what constitutes appropriate action. Attempts to frame meaning during metacompetition play a central role in determining the logics that prevail as markets evolve. Interestingly, while competition and its outcomes are often studied in the social sciences, far less attention is paid to metacompetitions and the framing work behind them. Yet, metacompetitions are what ultimately determine the rules of the game, and so are likely the most important step in the competitive process. Research on framing work in metacompetition thus promises to uncover the root cause of the patterns of success and failure that we see unfolding in the organizational world.

METACOMPETITION

In 2005, Steve Jobs, then CEO of Apple, declared that “Nobody wants to rent their music.” (Schifrin & Barnett, 2016). The issue for Jobs was that the new business of legal music downloading was just taking shape. His company was trying to compete in that business using “iTunes,” a service that at the time allowed consumers to legally purchase, download, manage, and listen to music. But his company was facing competition from a new startup,

Napster 2.0, which gave consumers legal and unlimited music streaming (but not “ownership”) for a monthly subscription.¹ The showdown between these two companies was, in fact, a metacompetition between two very different logics: the logic of music ownership, where companies gained an advantage as consumers’ music collections grew; and the logic of music subscription, where companies gave access to all music immediately and then competed over convenience and price.

The threat to Apple of subscription-based streaming was extreme. Apple clearly had leadership within the legal ownership logic at the time because it was building a lead in the size of users’ libraries. But this lead would last only so long as the business remained based on the logic of music ownership. If consumers were to switch to a subscription-based model, the installed base of already-purchased iTunes songs would suddenly lose its value. So it was that Jobs engaged in framing work in an attempt to sway the metacompetition between these two logics. Notably, his efforts seemed at the time to have succeeded. Napster 2.0 would fail, and pundits would declare (in 2005) that Jobs was right. Yet within just a few years, the appearance of smartphones (ironically introduced by Apple) and increased wireless network bandwidth allowed subscription services to reappear and succeed—ultimately forcing Apple to also offer such a service. And so as of 2017, especially among the young (who forget the days of limited bandwidth), the logic of music subscription is thought to have prevailed.

The showdown between music ownership and music subscription is just one example of metacompetition: competition over the game to be played. Metacompetitions occur around us constantly, and in virtually all industries: when alternative certification systems vie to establish priorities among producers; when alternative performance criteria vie to determine rankings among organizations; or when alternative standards vie to determine which technologies will be able to effectively compete in an industry. In all these cases, an organization could be the very best at what it does, and yet it could lose in the metacompetition over what criteria will matter. Alternatively, by winning in metacompetition, an organization could succeed by effectively being protected from fierce rivals who find themselves playing the wrong game.

More generally, understanding metacompetition requires first that we specify what we mean by a “logic of competition,” which I define as “... a system of principles in a given context that determines who can compete, how they compete, on what criteria they succeed or fail, and what are the consequences

1. Napster 2.0 was a for-profit company created after purchasing the rights to the name “Napster,” which had been a pioneer in the free music file sharing movement of the 1990s. That service had been shut down owing to copyright violations. The free music file sharing movement continues to this day, however. See Barnett (2017).

of success or failure.” (Barnett, 2008, p. 14). Logics of competition are a type of “institutional logic,” and therefore may be formal or informal in form and will likely include material practices as well as symbolic constructions (Friedland & Alford, 1991). A change in any of these four elements changes the logic of competition. When banking deregulation changed who could compete in that industry, this change effectively changed the logic of competition. Or, when the appearance of the internet changed how retailers could gain access to customers, the logic of competition in retailing changed. By establishing measurable specifications for what constitutes “organic” food, different organic certification systems change in different ways the criteria on which agricultural producers compete. And as for the consequences of competition, bankruptcy laws and the appearance of public capital markets are examples of institutions that determine the consequences of winning and losing in business competitions. By defining logics of competition according to these four dimensions, one can then observe operationally when alternative logics are involved in metacompetition.

HOW FRAMING WORK SHAPES THE GAME TO BE PLAYED

As in the Steve Jobs example, leaders of organizations routinely attempt to portray and interpret alternative approaches to competition in a way that benefits their own organization. Although the systematic study of such framing work is typically traced to Goffman (1974), in the study of organizations it first appeared in Snow et al.’s study of the alignment of interpretations within and among social movements (Snow *et al.*, 1986). But although the literature on framing work in social movements has made great progress, we have yet to explicitly link this work to the phenomenon of metacompetition. This link, I argue, can yield useful insights about observed distributions of organizations and their strategies.

When organizations are involved in a metacompetition over the game to be played, social actors are likely to engage in framing work in an attempt to shape the outcome. Much of this framing work will be observed in the narratives and counter-narratives appearing in social discourse. The more heated the metacompetition among alternative logics, the more such narratives and counter-narratives are likely to appear in social discourse among interested actors. Again looking at the digital music example, the online forum *pho* was created in the 1990s to facilitate discourse among those interested in the newly forming digital music world. Metacompetition heightened in that industry over the following decade—first between paid and free-sharing sites and then between paid ownership and paid subscription sites as well. Narratives and counter-narratives on all sides increased apace, and the *pho* forum saw its traffic escalate dramatically. Entries portrayed file sharing

services as being for the people—or as pirates. Others portrayed paid services as sell-outs benefitting the record labels, or as the legal alternative to music stealing. Still others contrasted subscription and ownership models, as illustrated in the Steve Jobs quote depicting subscription as “renting” music. Taken together, these narratives and counter-narratives can be seen as legitimacy claims attempting to shape the logic of competition in that context.

Beyond narratives, the concrete reality of organizational action also plays a crucial role in framing work. Goffman’s “portrayals” describe actions taken by players as they make identity claims. Among organizations, identity claims are signaled by the actions and characteristics of organizations and their strategies (Hannan, Pólos, & Carroll, 2007). During metacompetition, organizational actions are meaningful not only as a way of accomplishing objectives but also as framing work. For example, Apple could have immediately responded to music subscription services by offering such a service itself. The technical requirements to pursue that strategy certainly were within reach of the company, even back in 2005. But the company’s leadership was framing the business as being about music ownership *in contrast to subscription*, and so the company restricted its tactics to remain consistent with that logic. In this way, framing work among organizations involved in metacompetition is likely to increase the observed differences between the alternative logics we observe. Framing work thus has strategic implications for organizations, as summarized in this hypothesis:

Strategic Framing Hypothesis: In contexts characterized by metacompetition among alternative logics of competition, organizations will tend to pursue extreme strategies—avoiding hybrid forms.

The strategic framing hypothesis offers an alternative explanation for the pattern of increasing differentiation often observed in studies of organizations. Hybrid strategies normally are thought to be “stuck in the middle,” unable to compete well against “pure form” strategies in the market. Economic analyses typically describe this result as being due to technical sub-optimization by hybrid strategies (Porter, 1980). Sociological theories point to normative constraints, such that boundary spanners suffer from a legitimacy discount (Zuckerman, 1999). The strategic framing hypothesis points to a third alternative: Leaders of organizations choose pure-form strategies in an attempt to shape which strategies will be regarded as appropriate in that context.

The strategic framing hypothesis is testable in the following way. In a context where a single logic of competition prevails, we will be more likely to see organizations taking actions that violate that logic than we will in contexts with multiple, contending logics. This prediction could be tested either using data on a particular context over time, or by comparing multiple contexts.

Ideally, one would attempt to identify the predicted effects by studying a context where an exogenous shock has triggered metacompetition between alternative logics of competition.

CONCLUSION

By studying the role played by framing work in metacompetition, we can come to see how social actors strategically shape which competitions take place among organizations. Research on this topic may also benefit from drawing on advances made recently in cultural sociology, notably the work of Goldberg and his colleagues that identifies contestation among "construals" as distinct from position-taking within any given construal (Baldassarri and Goldberg, 2014; Goldberg and DiMaggio, 2015). When alternative construals of cultural and political issues vie for prominence, there effectively unfolds a metacompetition that will determine how competitions among social actors will be resolved.

More generally, our understanding of organizations in competition has developed considerably over the past few decades. Various distinct theoretical perspectives each have argued for the importance of one or another logic thought to determine the actions taken by organizations, as well as the success and failure of organizations in competition. Yet most studies take as a given the logic driving competition within any setting. In this way, we have neglected studying the process through which alternative logics vie for prominence in any particular context. Such metacompetitions are well worth studying, since they ultimately determine who can compete, how actors are allowed to compete, what criteria will determine winning and losing, as well as the payoffs to competition. By studying the role played by framing work in metacompetition, we can come to see how social actors strategically shape which competitions take place among organizations.

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