

The Institutional Logics Perspective

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Abstract

This essay discusses a new approach to institutional analysis—the institutional logics perspective (ILP). This perspective is a meta-theory useful for integrating and augmenting a variety of social science theories to better understand the effects of cultural institutions on individuals, organizations, and societies. We describe the history of the development of the ILP, define its core concepts and mechanisms, and review and discuss foundational and cutting-edge research. Prior overviews emphasize the mechanisms, variety of substantive contexts, and the cross-level effects. We take a different approach by organizing the literature review by institutional orders. This meta-analysis reveals a pattern of institutional change—the weakening of the professions and the spread of the market logic in many domains. We discuss implications of this finding and suggest future research.

INTRODUCTION

Conventional thinking is that social, economic, and political relations influence ideas, actions, and world views. That we can effectively demonstrate that another view may be true—that culture shapes such relations—has been less accepted and elusive to theorize and measure. By culture we refer to the system of beliefs, values, norms, and symbols of social collectives. Our aim is to define and introduce to the well-educated nonspecialist recent advances in understanding and examining the role of culture in institutional analysis—the institutional logics perspective (ILP).

There is long-standing debate in the social sciences on how institutions affect individual and organizational behavior and how individuals and organizations create and change institutions (DiMaggio & Powell, 1983; Dobbin, 1994; Hall & Taylor, 1996; Meyer & Rowan, 1977; North, 1990; Thelen, 2004; Weber, 1978). This entry draws on an emergent and recently influential line of institutional theory and analysis—the ILP (Thornton, Ocasio, & Lounsbury, 2012). While institutional logics research is developing in sociology and organization and management theory, we will argue that it is a useful framework for other academic fields in the social sciences such as political science

(Albrekt, 2008), economics (Ellerman, 2005), information technology (Currie & Guah, 2007), and public policy (Mullins, 2006), among others. We define the core concepts, mechanisms, and arguments of the ILP, followed by a literature review of the foundational and cutting-edge research. This literature review is organized by institutional orders in society, the findings of which present implications and suggestions for future research.

DEFINITION HISTORY

Arising from sociological institutionalism, the ILP focuses on the role of culture as central to institutional analysis. Institutional logics are defined as the socially constructed patterns of symbols and material practices, assumptions, values, beliefs, and rules by which individuals and organizations produce and reproduce their material subsistence, organize time and space, and provide meaning to their social reality (Thornton & Ocasio, 1999, p. 804). Friedland and Alford (1991) developed the initial theoretical formulation of institutional logics in a discursive chapter in an influential volume, "The New Institutionalism in Organizational Analysis," edited by Walter Powell and Paul DiMaggio. In their critique they argued that to understand actors' behavior it must be located in an institutional context that both regularizes behavior and provides opportunity for agency and change (Thornton & Ocasio, 2008, p. 102). Friedland and Alford's key distinction from the reigning sociological neoinstitutional school is the nondeterministic view of society as made up of subsectors, what they termed *institutional orders* of an *inter-institutional system*, for example, the family, religion, market, and state. Each institutional order includes a set of symbolic meanings and material practices that constitute its cultural belief system and organizing principles, that is—its "institutional content" (Friedland & Alford, 1991, p. 244).

The development of the ILP was in part a counter force to the proliferation of institutional isomorphism and diffusion studies. Instead, ILP's focus is on the heterogeneity of cultural meaning and how it comparatively varies by institutional order. To understand a rational myth, Zilber (2006) argues that one needs to understand meaning in comparison to others, not just to measure the spread of the myth within a social system. Friedland and Alford's (1991) comparative framework to theorize and measure the institutional environment replaces bifurcated concepts juxtaposing rational and nonrational and technical and institutional environments, opening up observation of heterogeneous sources of the meaning and practice of rationality. This approach draws amply on social construction (Berger & Luckman, 1967), as any actor may be nested in a combination of institutional orders, exposing them to conflicting and compatible symbols and practices that are available to reinterpret, exploit, export, and change. Thus, the

research on institutional logics advances neoinstitutional theory beyond studies of isomorphism and diffusion to include the interactive translation of institutional effects.

Conceptualizing society as constituted by different institutional orders is not a new idea. As Thornton *et al.* (2012) pointed out, Weber used the societal subsector comparative method in his work on value spheres (Gerth & Mills, 1946, pp. 323–357; Whimster, 2004, pp. 2220–2241). However, to Weber, contradictions between value spheres represented irreconcilable differences for individuals because, as Friedland (2013) points out, Weber's typology was akin to comparative religions. In contrast, for Friedland and Alford (1991), actors are capable of reconciling and exploiting multiple contradictory institutional logics. This capacity enables mechanisms of institutional change and solutions to the problem of embedded agency in institutional theories (DiMaggio, 1988; Holm, 1995).

The logics of institutional orders are interdependent, yet also potentially contradictory (Friedland & Alford, 1991, p. 250). In this regard, multiple institutional logics that are available to actors can interact and compete for influence in societal domains. As a result, the logic of one domain can be transposed to another domain and infuse the same practice with a different meaning.

Friedland and Alford's (1991) idea had the potential to be disruptive to institutional theory across the social sciences. However, to marshal this change required formalization and empirical research to evaluate the theoretical merit of the idea. As a broad-brush sketch, it needed integration with meso- and micro-level behavioral theories (Berger & Zelditch, 1993). For example, Thornton and Ocasio (1999) integrated the concepts of institutional logics with Ocasio's (1997) Carnegie School-inspired theory of organizational attention.

Thornton and Ocasio's (1999) integration of the meso- and macro-levels demonstrated how institutional logics affect organizational actors' attention in defining a problem and recognizing a solution. They showed how a shift in attention to different institutional logics changed the determinants of executive succession in the US higher education publishing industry. Companion articles expanded the scope conditions to other organization decisions (Thornton, 2001, 2002). Using a combination of qualitative and quantitative methods, this research partitioned cultural meaning from structural effects. For example, it showed that the number of corporate acquisitions remained the same under the era of a professional logic (editorial) as compared to a market logic, but the meaning and consequences of acquisition activity changed.

Thornton (2004) followed with a book that formalized a theoretical research program around the concept of institutional logics and began to elaborate

the relationship of logics to the interinstitutional system, defining the institutional orders as family, religion, state, market, professions, and corporation. While Friedland and Alford (1991) argued that institutional orders are interdependent and actors can manipulate logics, they did not suggest how this occurred. To advance theory development, this book suggested drawing on political and cultural sociology, which assumes event sequencing (Sewell, 1992, 1996) and the strategic use of institutional logics as a tool kit (Swidler, 1986; McPherson, 2013).

Thornton and Ocasio (2008) followed with a literature review that identified the five core meta-theoretical principles of institutional logics, (i) embedded agency, (ii) society as an interinstitutional system, (iii) the material and cultural foundations of institutions, (iv) the historical contingency of institutions, and (v) institutions at multiple levels of analysis. Friedland and Alford (1991), however, specified three interdependent and autonomous levels of analysis—society, organizations, and individuals. Subsequent research incorporating concepts from neoinstitutional theory includes a wider scope of levels, such as organizational and institutional fields (Fligstein & McAdam, 2012). A number of mechanisms can activate institutional change including institutional entrepreneurs, social movements, structural overlap, and event sequencing (Thornton, Jones, & Kury, 2005; Schneiberg & Lounsbury, 2008).

Thornton *et al.* (2012) continued to foster development of the ILP. They elaborated the typology of institutional orders to include the community and fleshed out the micro and meso foundations, illustrating how available logics become accessible and activated by drawing on dynamic constructivism theory in social psychology (Hong & Mallorie, 2004; Morris & Gelfand, 2004). They further developed theory about how organizational practices and identities within and across organizations relate to institutional logics (Jarzabkowski, 2005; Lok, 2010; Lounsbury & Crumley 2007). The pervasive efforts of actors to combine and recombine cultural elements within and across institutional logics is conceptualized as cultural entrepreneurship (DiMaggio, 1982; Lounsbury & Glynn, 2001). Soon to follow was a conference and forthcoming edited volume on institutional logics in action by Lounsbury and Boxenbaum (2013).

Thornton *et al.* (2012) illustrated how each institutional order is made up of categorical elements that form the building blocks of institutional content, for example, the sources of legitimacy, norms, values, and practices, which can be expressed in symbolic and material form. They illustrated society as an interinstitutional system using ideal types, locating the institutional orders on the X axis and the categorical elements, that is the institutional content, on the Y axis.

The ILP assumes the interpretation of the Y-axis elements vary depending on the observational lens—from which the X axis is the camera focused. In

theory, it does not assume *a priori* that the number of logics that are likely to influence behavior in a particular context or whether or not a single logic is more dominant than another or that multiple logics are necessarily operative. In theory, no one institutional order has causal primacy *a priori*, although the origin and prevalence of orders is temporally and contextually dependent, for example, the family is an older institution than the state. Tracey (2012, p. 118) comments that preoccupations over limits on a range of institutional logics is a nonissue.

The research to formalize the ILP has developed a rigorous methodology to contrast observations anchored in the root symbols and practices of an institutional order to identify the comparative meaning of observations. For example, family values will differ from market values. The degree of conflict and interdependence among the institutional orders also differs; for example, the norms and values of the market and the family are likely more opposing, whereas those of the state and the professions are likely more interdependent depending on whether the analysis is of Western societies. In theory, if an individual's or an organization's environment is more steeped in family values rather than market values, they are likely to interpret symbols and enact situations differently. This has been well demonstrated at the organizational level and is beginning to be demonstrated at the individual-society levels of analysis (Glaser, Fast, & Green, 2012).

FOUNDATIONAL RESEARCH

Prior theoretical developments in the ILP emphasize the mechanisms, variety of substantive contexts (Thornton & Ocasio, 2008), and the cross-level effects (Nigam & Ocasio, 2010; Thornton *et al.*, 2012). Here, we take a different approach to the analysis of the institutional logics literature by reviewing it through the lens of the institutional orders that are invoked in the studies we review. We are interested in where the influences, interdependency, and autonomy of institutional orders are more or less prevalent and what meta-implications these relationships have for future research. The literature review discussion is partitioned by institutional orders.

WITHIN-INSTITUTIONAL ORDER VARIANTS OF INSTITUTIONAL LOGICS

Professional domains have been a focus in institutional logics research. Exemplary studies focus on variants of the professions logics within different substantive contexts. Suddaby and Greenwood (2005) examined rhetoric (vocabulary) to expose contradictory institutional logics in accounting and law. They examined historically different understandings of professionalism, one based on a trustee model and the other based on an expertise model. The

conflict between these two logics defined the different sources of legitimacy that empowered a struggle to develop multidisciplinary partnerships, as a new organizational form in the legal and accounting professions.

Rao, Monin, and Durand (2003) examined the rhetoric of two variants of logics within the French culinary profession, classical and nouvelle cuisine. In examining the rules of cooking, archetypal ingredients, the role of the chef, and organization of the menu, they discovered several mechanisms, culinary critics being the most important, that created an identity competition which set the stage for a shift in identities among classical and nouvelle chefs.

Dunn and Jones (2010) identified two competing logics within the profession of medical education. They examined the relative prevalence of science and care logics discourse over 95 years and showed how the growth of public health and medical schools, contestation among physicians over medical education, and a curvilinear relationship with public attention to managed care were associated with increased emphasis on the care logic relative to the science logic in medical education.

THE PROFESSIONS, STATE, CORPORATE, AND MARKET INSTITUTIONAL LOGICS

There are several studies of competing institutional logics in the health care field in the United States and Canada. Scott, Ruef, Mendel, and Caronna (2000), in an award winning book, examined how professional, state, and managerial market logics shaped the transformation of the health care field, from one dominated by professional logics to one where multiple logics coexist and no single logic dominates.

Reay and Hinings' (2009) case study of medical professionalism and business-like health care in the Alberta Province bears similarities in that the struggles among the actors holding different logics resulted in power being distributed between the physicians (professions) and the government (state)—creating a counterbalancing effect of contentious coexistence.

Jones and Livne-Tarandach's (2008) study of rhetorical strategies show how architects have different vocabularies (words) that represent business, profession, and state institutional logics. These logics focus attention on distinct competencies that appeal to different client segments, servicing clients, building great architecture, or managing facilities. Architects pragmatically combine word choices from distinct logics, which enable them to better market themselves by appealing to the multiple and diverse interests of their client audiences.

THE PROFESSIONS AND CORPORATE INSTITUTIONAL LOGICS

Townley's (1997) case analysis of implementing performance appraisal practices in universities showed how the availability of the professional logic allowed academics to defend to some extent against such corporate practices, showing how institutional logics can be used as a resource and a boundary mechanism to stem the tide of corporate logic diffusion into professionally based settings.

THE PROFESSIONS AND MARKET INSTITUTIONAL LOGICS

Thornton and Ocasio's (1999) analysis of publishing firms demonstrates on an individual case basis that a few firms did not instantiate the market logic. However, the overall pattern across the entire population of firms showed a shift in influence on organizational decision making from the editorial logic (quasi-profession) to the market logic for organizational decisions on executive succession, acquisition (Thornton, 2001) and organizational structure (Thornton, 2002). These studies show how institutional logics generate interaction effects, that is, X and Y are two variables affecting a third value in the cells of the ideal types table, for example, between the main effects of institutional logics (profession or market logics as parameterized by time periods) and the main effects of the organization variables (hierarchy, position, etc.).

Lounsbury's (2002) research shows that in the finance industry a shift from a professions logic to a market logic created a change in status driven by business practice reputation to normative conformity to mathematical economics. Professional finance associations led the transformation to a market logic in the field of finance. New professionals such as money managers and securities analysts helped diffuse new financial theories such as portfolio and risk management. Finance professionals gained status and position by their reliance on financial theories as the market logic gained prominence in the field.

Glynn and Lounsbury (2005), in a case study, examined shifts in the focus of attention by newspaper critics of the Atlantic Symphony Orchestra from an instantiation of an aesthetic logic before a strike to a market logic post-strike. Pre-strike reviewers focused their attention on the virtuosity and musical interpretation associated with the aesthetic logic and post-strike critics increased their attention to ticket sales, production of recordings, and audience reactions consistent with a market logic. The ascendancy of the market logic did not imply, however, a rejection of the professional logic, but a blending of the two.

Lounsbury (2007) showed how geography, Boston and New York, not historical time provides the comparative method of analysis in analyzing the effects of competing professional versus market logics in the mutual fund

industry. The professional logic (the Boston trusteeship logic), with its main goal of wealth preservation, competed against a New York-based market logic focused on maximizing growth and market performance.

THE FAMILY AND PROFESSIONS LOGICS

DiMaggio (1991), in his precursor analysis of the development of US art museums, reveals a struggle of competing models (institutional logics), one fueled by elite upper class families and their social circle of collectors and curators, the other by a new class of museum professionals resulting from the expansion of higher education into the fine arts.

THE STATE AND FAMILY LOGICS

Greenwood, Díaz, Li, and Lorente (2010), in examining corporate downsizing in the Spanish manufacturing sector between 1994 and 2000, found a significantly less tendency to respond to market pressures to decrease their labor forces in regions of the country where the State and Family logics are stronger.

THE COMMUNITY AND CORPORATE LOGICS

Haveman and Rao (1997), in their study of the coevolution of institutions and organizations in the California Thrift industry, examined how changes in institutional logics at the societal level affected the formation of organizational forms at the industry level. With these changes, thrift plans that embodied a corporate logic characterized by bureaucratic rational decision making were more likely to thrive than those that embodied a community logic of mutual cooperation.

Marquis and Lounsbury (2007) showed how competing institutional logics can facilitate resistance to institutional change as in the case of the contest between the logics of global corporate banks and local community banks. Interestingly, the causal mechanism is not just simple market competition, but selection pressures relative to the prevalence of societal-level institutional logics.

CUTTING-EDGE RESEARCH

We highlight in this section and the next the mechanisms and substantive contexts of several veins of research recently published, forthcoming, or at the journal review stage. Nigam and Ocasio (2010) examined the cross-level effects of how critical events make institutional logics salient and available to actors for sense making (Nigam & Ocasio, 2010). Thornton *et al.* (2012)

illustrate how entrepreneurs discover new ideas and solve problems in legitimating and justifying their new organizations by switching and recombining institutional logics, which shifts the sources of analogies and referent categories by which people can understand their innovation (Lounsbury & Glynn, 2001). Almandoz (2012) found in examining the creation of banks that founding teams that had functional backgrounds associated with a community logic, as distinct from a market logic, had higher founding rates and lower rates of founding team dissolution. The edited volume by Lounsbury and Boxenbaum (2013) highlights how organizations and other groups establish or alter their identities and core practices under conditions of plural logics.

SUGGESTIONS FOR FUTURE RESEARCH

Our meta-analysis classifying literature by institutional orders shows a notable absence of studies on the family and religion and a number of studies on the logics of the professions and the market. The market logic, through the mechanisms of blending and replacement, is spreading across many substantive domains and invading territory once held by the professions. While the spread of the market logic is not a surprise, it is insightful that this trend coincides with the weakening and corruption of professional boundaries, particularly in light of their origins in religion and as keepers of honest market and corporate practices (Prak, 2008; Zeff, 2003). Here, we incorporate these insights in suggestions for future research in topic and disciplinary areas.

MORALITY

Morality in the sense of altruism, sympathy for others, and the understanding of others goals is underdeveloped in the ILP. The ILP assumes that the influences of morality vary across the seven institutional orders. Just as the institutional orders of religion and family influence moral values, so does the market logic, for example, in Hayek's (1944) notions of individualism and self-responsibility that underlie self-regulating free markets. The state logic under a democratic philosophy is concerned with the redistribution of property rights for the common good; however, not all nation-states are democratic. While earlier ILP typologies emphasized Judeo-Christian philosophy (Friedland & Alford, 1991), later elaborations relax this scope condition as reviewers have pointed out that the meta-theory has broader applications such as the emerging economies in India and China. The current typology of the ILP is a representation of the main institutions of societies (think governance systems) and it was derived from a reading of Weber's (1978) *Economy*

and Society and contemporary organization and management theory. In contrast, the work of Boltanski and Thévenot (1991), the ILP is not inspired by readings of French political philosophers with assumptions of common good across all institutional orders, but is based on classic and contemporary social science theory and research. This broader scope allows theorizing the varied influences of self-interest and understanding the empirical observation that winners of legitimacy struggles and justification contests are not always the most moral or worthy. Given that contemporary moral thought is much less coherent than it once was (Massengill, 2008), the ILP is well suited to theorize and measure the heterogeneity of cultural context that informs different variants of moral thought.

Excepting Greenwood *et al.* (2010), which shows that corporate management practices were tempered by religion and family logics in the face of market pressures, there is a lack of logics research invoking religion even though it has been a foundry for individual, organizational, and collective identity and behavior (Tracey, 2012; Tracey, Phillips, & Lounsbury, 2014). With the exception of Western Europe, much of the world continues to be religious (Berger, 2001). The review by Tracey (2012) highlights fruitful micro and macro areas for elaborating the moral scope of institutional logics through religion, connecting it to behavioral ethics, identity formation, and change and interdependency in the interinstitutional system. For example, Parboteeah, Hoegl, and Cullen (2009) found that the work ethic and church membership declines when the boundaries of religion and state weaken, for example, when the UK government regulates religion by appointing religious leaders and collecting taxes. Pearce, Fritz, and Davis (2010) found religion related to entrepreneurial orientation and organizational performance. Weaver and Agle (2002) found that ethical behavior is positively related to when religious role expectations are internalized as self-identity. Stout and Cormode's (1998) study is of interest in its focus on how the logic of religion is connected to other institutional orders such as the state, the market, and the family.

JUSTIFICATION

Because the ILP assumes that what is considered legitimate changes depending on the context, it has the potential to examine how culture explains more than motivating action—it justifies action. It can be used to understand how legitimacy is comparatively negotiated, evaluated, and resolved. The qualitative work on legitimacy struggles spearheaded by the French pragmatists, Boltanski and Thévenot (1991), and research developed by US cultural sociologists (Swidler, 1986; Vaisey, 2009) exemplify the approach called *justification*. Conceptualizing the seven institutional orders, (family,

community, religion, market, state, professions, and the corporation) to represent different repertoires of justifications that individuals and organizations use to make sense and rationalize their choices—is a short step from its current use as a framework for understanding the sources of legitimacy as motivation. For example, Brandl and Bullinger (2012) compare differences in the meaning of case vignettes by switching institutional orders which suggests different justifications for the same behavior.

CULTURE

In “Markets from Culture . . .,” Thornton (2004) treats culture as an independent variable, to interpret organizational decision making based on how different institutional logics focus attention. Institutional logics as culture can be applied to a myriad of unexplored topics such as how objects, spaces, and technologies shape and frame social relations. Hollerer, Jancsary, Meyer, and Vettori (2013) show the importance of visual elements of communication in translation. Moreover, culture can be viewed as a dependent variable. In tracing its classic roots to Weber, the ILP is at the heart of understanding how alternative meanings of cultural symbols and material practices, as influenced by different institutional orders, wane and wax over time and context. This brings to mind Weber’s example which Swedberg’s (2005, p. 3) paraphrases, “When the wood cutter brings down his axe on the wood, it can be a case of wage labor, provision for one’s household, or a form of recreation, and which one it is depends on the meaning with which the action is invested.”

POWER

The ILP view is that in order to understand power, one first needs to understand culture, because culture governs the interpretation and tools by which power is enacted (Stinchcombe, 2002). This has been empirically demonstrated in large sample research with confirmatory models (Thornton & Ocasio, 1999). In Thornton’s (2001) analysis of acquisition activity in the publishing industry, when an editorial logic prevailed, publishers defined the event of being acquired as an “all-in-the-family” moment, and such acquisition events were a form of mutual survival and growth. However, when prevailing sentiments in the industry had shifted to a market logic, acquisition events were associated with being sold to the highest bidder with potentially dire consequences of being busted-up based on accounting, not good editorial principles. Thus, power is not a sufficient condition to explain institutionalization or institutional change. The interpretation of power in the ILP is fundamentally more Weberian, with its emphasis on comparative

symbolic meaning, rather than Marxian, with its emphasis on redistribution of material resources. The institutional order most relevant to questions of distributive justice and the redistribution of assets and privileges is that of the Western democratic or socialist state. The claim that power is culturally contingent across the spectrum of institutional orders is an undeveloped avenue in future research.

More recent research has highlighted the reciprocal relationship between power and institutional logics. While particular logics shape power and political processes, they do not fully determine them, and powerful actors can shape how logics are elaborated. Joseph, Ocasio, and Hunter-McDonnell (forthcoming) show how powerful CEOs elaborate the shareholder value logic, a dominant variant of the market logic in large US corporations, by promoting a particular form of board structure and composition, where the CEO is the only insider in the board. This board structure ostensible promotes “board independence,” a key principle of the shareholder value logic, while in fact helping instead to promote CEO entrenchment and interests.

COOPERATION

Beginning with Friedland and Alford (1991), the research has centered on understanding conflicting institutional logics in at least three ways, dominance by replacement of one logic for another (Rao *et al.*, 2003), resistance by standoffs and coexistence (Marquis & Lounsbury, 2007), and resource dependence by blending logics to create hybrids (Battilana and Dorado, 2010). However, all this discussion of conflict over shadows a fundamental empirical observation that there must be a tremendous amount of cooperation in the world and that cooperation does not always require boundary weakening through hybridization of logics. We need research on cooperation; otherwise, how would the world function? Jourdan, Thornton, and Durand (2012) show how actors in the French film industry create cooperation in the context of conflicting institutional logics in a way that maintains logic boundaries by engaging in deference.

BUSINESS POLICY AND STRATEGY

One of the key strategies of corporations is various forms of diversification. However, of the economic streams of research that examine diversification performance, none of them is complete (Prahalad & Bettis, 1986, p. 485). This observation motivated a managerial cognitive theory, termed the dominant logic to better understand strategy and performance in the diversified firm. The *dominant logic* refers to mental maps developed through experience in the core business which is applied to other businesses as in the case of large firms

that diversify. The dominant logic is stored via schemas, which are filters that enable managers to efficiently categorize an event, assess its consequences, and consider appropriate actions. However, diversification may create pressures for competing logics, which raises the question of whether and when either a dominant logic or diversification can be sustained over time.

Durand, Szostak, Jourdan, and Thornton (2013) show how firms in the French design industry use institutional logics as resources to leverage their strategic choices by adding and abandoning logics. Firms with an awareness of a larger repertoire of available logics expressed by a larger stock of competences and a broader industrial scope and with a favorable opportunity set as expressed by status are more likely to add a logic to their repertoire. High-status actors can play a key role in triggering institutional change when such change is likely to undermine the basis of their social position and advantage.

International business, in particular multinational firm strategy, is an important topic—one that requires policy and corporate leaders to understand how their subsidiaries develop organizational practices for firm–government–employment relations in the context of different cross-country institutions (Kostova and Roth, 2002). International business research has been influenced by both sociological neoinstitutional and economic perspectives, with their focus on isomorphism and incentives, respectively. The ILP, with its emphasis on culture, can broaden and augment neoinstitutional and economic perspectives by shifting researchers' attention to the idea that there are not any objective or universal incentives that can be understood independently of actors' understandings and these understandings are contingent on the institutional context. For example, institutions exist in distinct national configurations, some countries have state and corporate governance structures relatively more influenced by family versus market logics (Greenwood *et al.*, 2010), which shifts the definitions of legitimate exchanges and strategies of action. The ILP can enlighten how institutional heterogeneity across several domains interacts to form distinct types of capitalism (Hall & Soskice, 2001). For example, the ILP illustrates how institutions are at the same time material and symbolic, which means that the logic of one domain can be transposed to another domain and infuse the same practice with a different meaning.

THEORY AND METHODS DEVELOPMENT

As our literature review indicates, there is a rich mixture of multiple logic studies. This points to the need for an understanding of the aggregate and generalizable effects of the institutional logics research. Evaluations are needed of the robustness of findings in light of the strength of research

designs and methods of analysis. Thornton (2004) conducted a meta-analysis of the publishing studies, but we need a meta-analysis of a larger sample of the institutional logics literature. Multimethod and multilevel studies including both qualitative and quantitative approaches are essential because selection of level and method of analysis privileges researchers' observations.

Zucker's (1977) early experimental research showed how social conventions become institutionalized and taken for granted within individuals' cognition. Oddly, this line of micro analysis did not take hold in neoinstitutional theory. There is renewed interest in developing experimental methods to address the calls for formal development of micro theory—this should be a growth area. We point to recent experimental research by Glaser *et al.* (2012) that shows how individuals form cognitive schemas cued from different institutional logics. Individuals store societally prominent institutional logics in their minds as schemas and when these schemas are primed, they increase the likelihood that an individual will adopt motives associated with the logic and behave in ways consistent with these motives.

DiMaggio (1991) reintroduced Weber's comparative historical method of ideal types in a case study of institutional change in art museum management. Following DiMaggio, Thornton and Ocasio (1999) similarly used ideal types to formalize the analysis of their data and suggest testable hypotheses. To be clear, the notation of X (institutional orders) and Y (elemental categories of an institutional order) in the typological table examples in Thornton (2004) and Thornton *et al.* (2012) does not necessarily suggest causal direction. Institutional logics are dynamic and contextually variable and the ideal typical models abstract from that variation. Specific instantiations of logics, that is, the institutional content (what is in the cells of the table), is not just macro to micro but macro to micro to macro. But this is not well captured in the X, Y ideal type model and we do not really have a good theory of why we have the right elemental categories on the Y axis.

The use of ideal types is a first-order method to understand if the ILP is an appropriate meta-theory; applying it will determine whether one can derive analytically distinct institutional logics from qualitative and quantitative observations. However, a method is needed, much like in network analysis (Breiger & Mohr, 2004), to parameterize and scale institutional distance between the ideal types and the actual data. An important untested proposition of the ILP suggests that the interdependence, autonomy, and dominance of some institutional orders within the interinstitutional system are higher and lower than others. For example the professions invent the categories of new knowledge, but need the state to create laws to ratify them, enabling them into real practices. In the United States, the resource dependence between the professions and state is high. This is not the case necessarily

for other institutional orders. Are the logics of family and religion, state and professions, market and corporation more compatible than with other logics such as family and market? How would these pairings change when comparing traditional and liberal societies? Such analyses raise the question of when any one institutional order becomes too autonomous, interdependent, or dominant relative to others, does this signal unstable institutional conditions in society? We need methods that give us a greater understanding of how institutional orders and their logics anchor in the interinstitutional system. Topic models which identify the linguistic contexts that surround social institutions and policy domains (DiMaggio, Nag, & Blei, 2013) and descent hierarchical analysis (Daudigeos, Jaumier, & Boutinot, 2013) are two approaches that show promise. The development of such methods could help address questions such as the spread and dominance of the market and the state logics in societies and the ensuing financial and budgetary crises.

CONCLUSION

The ILP is a meta-theory useful for integrating and augmenting a variety of social science theories to better understand the effects of culture and institutions in many substantive domains. This entry has described the history of the development of the ILP, defined its core concepts and mechanisms, and conducted a review of foundational and cutting-edge literature from the view of operant institutional orders. This meta-analytic review reveals a weakening of the professions and the spread of the market logic in many domains and foreshadows a discussion of future research.

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