ResearchGate

See discussions, stats, and author profiles for this publication at: https://www.researchgate.net/publication/380910830

Institutional Theories of Innovation

Chapter · May 2024

DOI: 10.1515/9783111085722-007

CITATIONS
0

READS
2,567

2 authors:



Markus Perkmann
Imperial College London
88 PUBLICATIONS **10,232** CITATIONS
SEE PROFILE



Nelson William Phillips
University of California, Santa Barbara
193 PUBLICATIONS **20,406** CITATIONS
SEE PROFILE

All content following this page was uploaded by Markus Perkmann on 29 May 2024.

The user has requested enhancement of the downloaded file.

Institutional Theories of Innovation

Markus Perkmann
Imperial College Business School
Imperial College London

Nelson Phillips
Department of Technology Management
College of Engineering
UC Santa Barbara

Chapter 10, De Gruyter Handbook of Sociology of Innovation and Entrepreneurship
eds Olav Sorenson and Patricia H. Thornton

Institutional Theories of Innovation

While institutional theory is sometimes drawn on by innovation scholars, we believe it has much more potential than has thus far been recognized. In this chapter, we focus on the usefulness of institutional theory as a theoretical lens through which innovation scholars can examine the effects of context on innovation. Institutional theory highlights the importance of social structure in shaping innovation and refocuses attention beyond the innovation process itself to the institutional context in which innovation occurs. More specifically, we discuss four topics. First, we discuss how institutions enable and constrain innovation. Second, we discuss the important role of institutions in the acceptance, diffusion, and hold-up of innovation. Third, we discuss how new organizational forms and hybrid organizations enable innovation. Finally, we discuss what insights we can draw from another closely related form of institutional theory that has been developed in economics commonly referred to as institutional economics.

At first glance, institutional theory may not appear to be particularly relevant for innovation scholars. At the core of institutional theory is the idea that institutions are stable, taken-for-granted cognitive, normative and regulative structures that constrain and enable social agency Scott (1995). The stability of institutions therefore appears at odds with the dynamism of innovation that implies singular acts of creation and the ensuing disruption of market structures. So how is a theory of stability relevant to a theory of change?

There are, in fact, several ways in which institutional theory is relevant to innovation scholarship. Perhaps most importantly, institutional theory provides a theoretical lens through which scholars can examine the effects of the social context of innovation on the process of innovation. Institutional theory focuses attention on the social structures that shape innovation activities through the pressures they create for isomorphism as well as the taken-for-granted solutions that the institutional context provides for common problems. As a result, institutional theory can provide important insights into a range of factors that enable innovation in particular contexts and explains some of the important factors that determine why innovation follows the paths that it does (and sometimes is not possible at all). It also provides a vocabulary useful in discussing these factors. Fundamentally, institutional theory highlights the importance of social structure in shaping innovation and refocuses attention beyond the innovation process itself.

It is worth pointing out that there is a part of institutional theory that is explicitly a theory of institutional change and innovation. This stream of literature looks at innovation in different kinds of institutions such as practices, categories and organizational forms and has developed concepts including institutional entrepreneurship (Hardy & Maguire, 2017) and institutional work (Hampel, Lawrence, & Tracey, 2017) that are useful in understanding these important phenomena. However, as these topics have been widely covered elsewhere (Hampel et al., 2017; Hardy & Maguire, 2017) and the focus of innovation scholars is not

generally institutional innovation, our concern here will be primarily with institutional theory as a framework for thinking about the context that is most relevant to what innovation scholars commonly study, that is the creation of new products, processes and business models in firms.

Hence, in this chapter, we will discuss the primary points of contact between institutional theory and innovation. After providing an overview of institutional theory, we will discuss four topics. First, we will discuss how institutions enable and constrain innovation. Second, we will consider the important role of institutions in the acceptance, diffusion, and hold-up of innovation. Third, we will discuss how new organizational forms and hybrid organizations enable innovation. Finally, we will discuss what insights we can draw from another closely related form of institutional theory that has been developed in economics commonly referred to as institutional economics.

While institutional theory has begun to be used by innovation scholars, we believe it has much more potential than has so far been recognized. We hope our discussions here will deepen the connections between institutional theory and innovation and encourage more innovation scholars to view institutional theory as a source of insight to better understand processes of innovation and perhaps even begin to consider it an important theory of innovation in its own right.

An Introduction to Institutional Theory

The roots of new institutional theory[1] lie in the dissatisfaction of some organization theorists in the late 1970s with the limitations of the highly rational view of organizations that prevailed in the preceding decades and the desire to focus attention on the important role of social structures in shaping organizations and their activities. It also involved refocusing

[1] The terms new or neo-institutional theory arose to differentiate this form of institutional theory from the "old" institutional theory of Selznick (1953) and others who studied organizations as institutions. When we use the term "institutional theory" we are referring to new institutional theory.

attention away from individual organizations to a more aggregate level of analysis - the organizational field - that became the key level of analysis for institutional theorists. The fact that new institutional theory provided new explanations rooted in legitimacy and social structure for the unexplained isomorphism that characterizes organizations led to the rapid development of institutional theory as an area of research.

What is an Institution?

Before we get further into the details of new institutional theory, we need to explain what we mean by the term "institution". While the institutional theory literature (and social science more broadly) is littered with conflicting definitions of institution, for our purposes here institutions can perhaps best be understood simply as "conventions that are self-policing" (Phillips, Lawrence, & Hardy, 2004: 637). In other words, as patterns in social activity that are held in place by costs that are incurred when an actor does not conform to the pattern.

To unpack this definition, let's begin with what we mean by a convention. A convention is a pattern, or "typification" (Berger & Luckmann, 1966), that describes a practice, technology, or rule. What is critical to this definition is that the institution is not the practice, technology or rule as such, but rather its shared, social understanding (Phillips & Malhotra, 2008). Conventions are shared among groups of people and are cognitive structures that shape thinking and action. An important feature of these conventions is that they are instituted with a relative degree of permanence and exist intersubjectively between people. This feature makes institutions stable: it takes a long time to institute them, changing them is difficult, and it generally takes a long time to abandon them once they are in place.

The second part of this definition of institutions describes them as self-policing. By this we mean that institutions are associated with social controls that act in a relatively automatic fashion to encourage conformity to the convention. Nonconformity with

institutions is “counteracted in a regulated fashion, by repetitively activated, socially constructed, controls” (Jepperson, 1991: 145) that can increase the costs of nonconformity in several ways: “economically (it increases risk), cognitively (it requires more thought), and socially (it reduces legitimacy and the access to resources that accompany legitimacy)” (Phillips, Lawrence, & Hardy, 2000: 28). Thus, institutions are differentiated from other patterns of social action in that they are subject to self-regulating controls that create pressure to act according to the convention.

Institutions are important for innovation as they shape cognition and behavior. There are many types of institutions that are directly relevant to innovation including norms, values, vocabularies, and organizational forms. These forms of institutions (and many others) shape thinking and behavior and therefore determine what “innovation” is and how innovation happens in particular contexts.

Core Concepts in Institutional Theory

Institutions are a characteristic of organizational fields, and the organizational field is the most common level of analysis in institutional theory. The concept of an organizational field is analogous to an industry but is defined by social interaction rather than competition. To be more precise, an organizational field is a community of organizations that interact more “frequently and fatefully” with one another than with actors outside of the field (Scott, 1995: 207–208). While early research focused on field stability and isomorphism[2], scholars’ attention soon turned to the strategic responses of organizations to institutional processes (Oliver, 1991) and to change in organizational fields (Hinings, Greenwood, Reay, & Suddaby, 2004).

[2] Institutional isomorphism refers to the structural similarities that are often seen among organizations in a field and their tendency to become more alike over time (DiMaggio & Powell, 1991).

While the costs associated with not adopting an institution explains the high degree of isomorphism within fields, it also leads to a problem for at least some organizations. What if adopting an institution is necessary to be seen as legitimate within a field – that is to produce a "generalized perception or assumption that the actions of an entity are desirable, proper or appropriate within some socially constructed system of norms, values, beliefs and definitions" (Suchman, 1995: 574) – but the institution in question is not appropriate from an efficiency point of view?

In this case, organizations often engage in "decoupling" (Boxenbaum & Jonsson, 2017) where the institution is adopted ceremonially, but the technical core of the organization is protected from the negative effects that would follow full adoption. In other words, while an organization may appear to adopt an institution that has become highly legitimate in their organizational field from an external perspective (say a particular approach to innovation), internally the organization may continue organize their innovation activity in a way that is more effective for them as they seek to remain effective and at the same time be seen as legitimate.

Central to much of the more recent research in institutional theory is the idea that organization fields are characterized by one or more logics (Friedland & Alford, 1991). Logics characterize how "a particular social world works" (Jackall, 1988: 112). They represent "the socially constructed, historical patterns of material practices, assumptions, values, beliefs, and rules by which individuals produce and reproduce their material subsistence, organize time and space, and provide meaning to their social reality." (Thornton & Ocasio, 1999: 208). From an innovation perspective, what an innovation is, how innovation is carried out, and what innovation success looks like are all aspects shaped in important ways by the institutional logic that characterizes an organizational field.

Finally, an additional type of institution that is particularly relevant to innovation is the idea of a category (Durand & Thornton, 2018). Very broadly, categories are the "socially constructed partitions that group together objects perceived to be similar" (Grodal, Gotsopoulos, & Suarez, 2015: 424). Categories have "two basic properties: constituent members, whose inclusion is defined by rules or boundaries pertaining to a common type of good or service, and (2) a concept, label, or identity that reflects the commonalities that link together the members of the category" (Navis & Glynn, 2010: 440). Both categories and the process of categorization are important for innovation scholars.

While all sorts of categories are important for understanding innovation processes, produce and service categories are probably the most important for innovation scholars. Fundamentally new products and services require not just the innovation of the product or service, but the creation and legitimation of a new category that provides an understanding of what the innovation is, how it is used, and how its quality should be judged. Radical innovation is therefore often both an innovation challenge and requires institutional entrepreneurship (Hardy & Maguire, 2008) to change the system of categories that exist in an institutional field to include the new product or service. How this happens has received some attention (Grodal et al., 2015), but much more needs to be done and these concepts need to occupy a more prominent part of in innovation scholarship.

How Institutions Enable and Constrain Innovation

As relatively permanent social structures, institutions enable and constrain innovation in important ways. They exert cognitive, normative and regulative influence (Scott, 1995) on actors pursuing innovation, and thereby shape both how innovation is performed and what outcomes are achieved. Institutions are an important part of the context of innovation and shape innovation in several important ways.

First, institutions shape the organizational structures and practices that allow organizations to innovate. Generally, institutionalized practices underpin many of the decision-making criteria and processes that firms regard as acceptable when deciding how to innovate. The R&D department is itself an (intra)-organizational form that was institutionalized in the second half of the 20th century, gaining wide-spread acceptance and allowing companies to pursue science and technology-based innovation on a large scale and based on relatively secure corporate funding (Mowery, 2009). Skunk works (Fosfuri & Rønde, 2009) and accelerators (Cohen, Bingham, & Hallen, 2018) are other examples of practices that were created in specific historic situations and later adopted as standard ways of innovating by companies across many industries. In this sense, organizational models for managing innovation can be subject to fashion cycles in which institutional pressures first compel managers to adopt specific models which are then later abandoned as these pressures ebb (Abrahamson, 1996), or alternatively institutionalized via institutional work (Perkmann & Spicer, 2008).

While institutionalized innovation structures may facilitate innovation, institutionalized structures may also obstruct it. When an organizational form becomes highly institutionalized it is difficult for organizations to avoid succumbing to the isomorphic pressures associated with the form even when the structures in question are not ideal for the innovation that is needed. For instance, deeply institutionalized corporate financial and accounting practices can prevent corporations from providing adequate funding to early stage innovations because they do not appear to satisfy adequate standards of how return on investment or profitability are calculated (Ries, 2017). In territories where non-compete contracts (an institution) are enforced, innovation is negatively affected (Samila & Sorenson, 2011).

Equally, mental models that proscribe certain ways of doing business within companies or industries may pose obstacles to innovation and not allow much needed change as external circumstances change (Tripsas, 2009). Weber, Lehmann, Graf-Vlachy, and König (2019), in their study of the hospitality industry, found that incumbent hotel operators were unable or unwilling to respond to innovators proposing shared economy models as they perceived the new business models as unfair and illegitimate. It is important to emphasize however that the way in which mental models affect a firm's adaptation to technological change (by shaping cognition) is not the same as the institutional pressures that result from the need to be seen as legitimate. While existing research does not always differentiate sharply between both mechanisms, it is likely that in many cases both mechanisms will operate simultaneously and reinforce each other in terms of inducing similar effects.

Second, institutions shape innovation by constituting collective identities. Collective identities are themselves institutions as they define the attributes that are regarded as constitutive of, a group of actors who share a specific purpose and similar outputs (Wry, Lounsbury, & Glynn, 2011). Examples of collective identities are symphony orchestras (Kavanagh, Perkmann, & Phillips, 2021) or grass-fed beef producers (Weber, Heinze, & DeSoucey, 2008). Collective identities can act as significant barriers to innovation when organizations perceiving themselves as adhering to specific collective identities can prevent themselves from launching innovations that are not compatible with those collective identities. For instance, the strong adherence to the classic identity of a symphony orchestra was found to prevent symphonies from diversifying into activities with the potential of generating new streams of revenue, even in the face of dwindling prospects of organizational survival (Kavanagh, 2021).

Third, more recently researchers have emphasized how institutional logics can impact innovation. Because institutional logics embody distinct registers of social action, letting

different logics intersect in new ways can help firms adopt new viewpoints and generate new ways of solving problems (Thornton, Ocasio, & Lounsbury, 2012), a process known as institutional arbitrage (Perkmann, Phillips, & Greenwood, 2022). For example, Dalpiaz, Rindova, and Ravasi (2016) explore how a firm combined multiple logics to innovate and pursue new market opportunities. The firm used a number of "recombinant" strategies, all aimed to combine the normative elements of different logics which resulted in new organizational guiding principles that in turn enabled the firm to launch new classes of products.

Others have pointed to the constraining effects of institutional logics. Pahnke, Katila, and Eisenhardt (2015) studied the impact of start-up firms' choice of funding partners on innovation outcomes. They find that the choice of funding partners affected innovation differently, depending on the institutional logics to which funders adhere. Obtaining funding from commercial investors, e.g. venture capitalists, allowed firms to obtain innovation outcomes closer to commercialization, compared to funders adhering to the state logic.

In this section, we have identified three ways in which institutional processes enable and constrain innovation. These include institutionalized structures, particularly corporate processes and practices, that are used by organizations to drive and govern innovation. They also encompass collective identities which are shared institutionalized orientation devices for organizations that prescribe what organizations of a certain type ought to do and, implicitly, how they should innovate, but can also represent powerful obstacles for organizations to diversifying into new products streams. Finally, researchers have started to investigate the role of institutional logics for innovation.

Role of institutions in the adoption and diffusion of innovations

In this section, we consider the role of institutions in the adoption and diffusion of innovation. The term adoption refers to the act of embracing and deploying an innovation,

while the term diffusion denotes the spread of the use of an innovation within a population or territory. While criteria such as performance or usefulness are important criteria for users and other stakeholders to consider an innovation desirable (Rogers, 1983), the legitimacy of an innovation may also play a major role. As we mentioned above, legitimacy is a key concept in institutional theory, denoting a perception that an entity is desirable, proper or appropriate (Suchman, 1995). Innovations can fail if they are not regarded as legitimate by stakeholders which may include corporate personnel, users and customers as well as social movements, regulators or political audiences.

Lack of legitimacy particularly affects radical innovations because they appear out of line with extant products and users are not familiar with them (Ettlie, Bridges, & O'keefe, 1984; Foster, 1988). Institutional researchers have identified the boundary conditions that determine whether radical innovations can overcome this legitimacy deficit. Hargadon and Douglas (2001) argue that innovators can invoke the public's familiarity with the institutions underpinning existing markets to launch new products into those markets. In the case of electric lighting, they document how Thomas Edison used specific design elements in his electric lighting solution that invoked the public's familiarity with the schemas and scripts governing the way in which existing gas and other utilities designed and marketed their products. The innovator anchored the innovation within existing institutionalized understandings and patterns of action in order to facilitate initial adoption. Similarly, authors including Orlikowski and Gash (1994) and Benner and Tripsas (2012) point to the role of established technological frames that are intersubjectively shared and can become deeply institutionalized. Consumers use such frames to interpret any new products coming onto the market as they provide cues to understand the purpose of the new technology and for the appropriate performance criteria to assess them.

While innovators may design institutions to enhance their acceptance within given institutional settings, research has also documented how they shape institutions in their favor. Munir and Phillips (2005) illustrate how the young Eastman Kodak company performed institutional entrepreneurship aimed at changing the meanings attached to photography so as to render it attractive to consumers, and particularly women, in contrast to the industry's prior focus on professional photographers. Santos and Eisenhardt (2009) study of digital start-up firms suggest how new entrants, in particular, can use a range of tactics to shape market environments in order to enable and accelerate the adoption of their innovations.

While the research discussed so far emphasizes institutional constraints and affordances relating to adoption by customers, other studies point to the role of other stakeholders. Benner and Ranganathan (2013) found that firms entering a new technological field were perceived by analysts as having a better chance to succeed if their prior technological base was more similar to those of the new technology, controlling for actual performance. Analysts here are representative for stakeholders that via their actions, and mere presence, exert influence over firm's technology and innovation strategies. Analysts are more attentive and positive towards strategies that are compatible and preserve existing technology (Benner, 2010) constraining incumbents' technology strategies. Weber et al (2019) find that even top managers of incumbent firms (hotel chains) themselves dismiss radical innovations proposed by challengers (sharing economy platforms) as illegitimate and fail to adequately respond to the detriment of their own competitiveness (Christensen & Rosenbloom, 1995). Consistent with this view, van Dijk, Berends, Jelinek, Romme, and Weggeman (2011) document how proponents of radical innovations within firms can deploy institutional work (Lawrence & Suddaby, 2008) to generate legitimacy for these innovations.

In a related literature, a substantial body of new institutionalist research has considered institutional dynamics in the diffusion of organizational, or administrative,

innovations amongst organizational populations. This research has primarily focused on specific management practices or technologies used in conjunction with practices such as IT systems. For instance, researchers have investigated the diffusion of practices including Total Quality Management (Kennedy & Fiss, 2009), robotic surgery (Compagni, Mele, & Ravasi, 2015), civil service reform (Tolbert & Zucker, 1983) and diversification behaviors (Kogut, Walker, & Anand, 2002), among many others. Organizational or management practices are themselves institutions, assuming they have achieved relatively stability and permanence, and hence have enjoyed particular attention from institutional scholars as instances of institutions that are directly relevant for the evolution and performance of organizations.

The argument advanced in this literature is that the early adoption of a new practice tends to be underpinned by rational performance considerations (Rogers, 1983). Yet, once a new practice is adopted beyond a core of technical adopters, others will follow as the practice acquires legitimacy and institutional isomorphism takes hold (Meyer & Rowan, 1977). Full institutionalization will occur when all participants regard the practice as a taken-for-granted part of organizational life (Berger & Luckmann, 1957).

Recent research has provided various refinements and critiques of the isomorphism hypothesis (Naumovska, Gaba, & Greve, 2021). As mentioned above, at times adopters espouse practices merely symbolically or superficially – an approach to adoption termed decoupling – as they seek to gain legitimacy yet are not prepared or able to technically implement a practice (Fiss & Zajac, 2004; Purvis, Sambamurthy, & Zmud, 2001). Other research has shed light on the variation of practices as organizations adopt them and adapt them for their use (Ansari, Fiss, & Zajac, 2010; Czarniawska & Sevón, 2005). As in the case of diffusing product innovations, agents interested in the diffusion of a management practice may deploy institutional work to prepare the institutional ground for its adoption across a wider population (Perkmann & Spicer, 2008). The diffusion of a practice may also eventually

fail because the practice merely represents a transitory fad and organizations abandon it when it is no longer fashionable (Strang & Macy, 2001).

To conclude, institutional dynamics are an important contextual factor for the adoption and diffusion of innovation. While far from being the only mechanism governing this process (Naumovska et al., 2021), the apparent legitimacy of innovations and the presence of taken-for-granted routines and practices can represent important determinants of whether the spread of innovations can obtain the required critical mass to be adopted widely and become institutionalized.

How Hybrid Organizations Enable Innovation

In this section, we consider the role of hybrid organizations in informing innovation. As organizations are reproduced, any new entrants build on existing organizational forms. Yet every so often, new organizational forms emerge, facilitating the emergence of a new type of organizational populations, equipped with new capabilities that prior generations of organizations were lacking (Perkmann & Spicer, 2014). This in turn allows these organizations to generate new products or services that older generations of organizations were unable to provide.

New organizational forms are often formed as hybrid organizations, by combining elements drawn from different institutional logics (Battilana, Besharov, & Mitzinneck, 2017). As a result of combining organizational elements in unprecedented ways, hybrid organizations possess new types of capabilities that allow them to provide innovative products and services and thereby establish new markets (Jay, 2013). These capabilities are particularly relevant in the early period of hybridization, before a hybrid organizational form becomes widely institutionalized and hence their competitive advantage in terms of providing novelty reduces (Schildt & Perkmann, 2017). In addition, hybrid organizations are able to attract customers who identify with a specific logic represented. For instance, socially

oriented customers are likely to prefer products by social enterprises to similar products furnished by mainstream providers (Fosfuri, Giarratana, & Roca, 2016).

Research has amply documented how the creation of hybrid organizations can facilitate product and service innovation. Commercial microfinance organizations, a specific type of social enterprise, provide small loans to the poor in developing countries, yet at commercial terms (Battilana & Dorado, 2010). Commercial microloans originally represented a radical innovation because established banks were not serving the poor, and the pioneers of the model, such as Grameen bank, discovered that providing such loans could be done profitably (Adams & Von Pischke, 1992). Simultaneously, providers maintained some of the developmental and social focus that NGO providers of microloans had originally sustained as an important feature of the service.

More generally, social enterprises have pioneered innovations including consumer products with socially or environmentally sustainable supply chains, or local services insufficiently provided by purely commercial providers. For many of these products and services, social or environmental sustainability represents salient product features valued by a distinct segment of customers (Fosfuri et al, 2016); this means that social enterprises can innovate to address hitherto unfulfilled needs. Other examples of innovations proposed by hybrid organizations include large molecule drugs launched by biotech companies, bringing together academic laboratories with commercial application to represent a new organizational form in the 1970s and 1980s (Powell & Sandholtz, 2012). More generally, studies of the interface between science and industry have illustrated how the confluence of academic and industry logic within settings such as academic laboratories, academic start-ups and university-industry centers provokes tensions but also provides opportunities for productive friction from which innovations can be developed (Murray, 2010; Perkmann, McKelvey, & Phillips, 2019; Perkmann et al., 2022; Perkmann & Schildt, 2015).

Overall, hybrid organizations are possible originators of innovation because innovation fundamentally originates as a novel combination of elements (Weitzman, 1998). Drawing elements from different institutional logics can yield novel solutions that may address given needs or create new needs. Conceptually, novel solutions generated by hybrid organizations do not appear to primarily stem from a sheer act of invention - the concept of a microloan was known before social enterprises embraced it. Rather, hybrid organizations provide unique organizational contexts where such novel solutions can meaningfully be provided because (a) they bring together internal stakeholders from different institutional orders and (b) they attract legitimacy from external stakeholders due to their hybridity.

Of course, a large literature has pointed to the challenges that the hybrid organizations providing such solutions face precisely because they bring together different institutional logics. These challenges include conflicts between internal stakeholders as well as misalignment between external audiences (Almandoz, 2012; Battilana et al., 2017; Pache & Santos, 2010). Nevertheless, hybrid organizations constitute a valuable source of innovation that, more than any other sources, stems from an institutional process of crisscrossing logics.

Institutional Economics and Innovation

A discussion of institutional theories of innovation would be incomplete without some mention of the version of institutionalism that has been developed in economics. This version of institutional theory, generally referred to as institutional economics, has many parallels to the institutional theory we described earlier, but also some important differences that provide a different set of contributions to thinking about innovation.

A broad and inter-disciplinary body of institutionalist work in economics and economic geography has in fact explored the relationship between institutions and innovation. This work pays particular attention to the role of national or regional configuration of institutions for economic outcomes, including innovation. Amongst the

intellectual precursors for this work were scholars associated with the German historical school, such as Gustav von Schmoller and Max Weber, who emphasized the historically contingent nature of economic systems and advocated for comparative political analysis over formalist generalization (Hodgson, 2001). In this section, we discuss the main conversations in this multifaceted research tradition and outline their contribution to the study of innovation.

The varieties of capitalism, or comparative capitalisms, framework conceptualizes economic systems based on their nationally confined institutional make-up (Allen, 2013; Hall & Soskice, 2001). Institutions are understood as devices that enable strategic interactions between key actors – in particular firms – in the economy. This conception of institutions is inspired by the new institutional economics which posits that agents are rational utility maximisers and institutions provide the framework under which this happens (North, 1990). Accordingly, institutions reduce uncertainty by allowing for information exchange, monitoring, and sanctioning, and for actors to make credible commitments.

Based on these ontological assumptions, the varieties of capitalism framework then assumes that firms operate within country-specific institutional frameworks that govern industrial relations, vocational training, corporate governance, inter-firm relations and employee relations. Via detailed comparative analysis, scholars identified two primary types of capitalism (Hall & Soskice, 2001), liberal market economies and coordinated market economies. Liberal market economies, such as the US, are characterized by flexible labor markets, firm-level wage determination, and fluid markets for interfirm relations and capital. Coordinated market economies, such as Germany or Japan, are characterized by the strong presence of organized labor, society-wide systems for vocational training, patient capital, and strong inter-firm relations.

These differences have implications for innovation. Comparative capitalism scholars argue that liberal market economies are highly supportive of radical innovation (Whitley, 1999). Because of flexible labor markets, new companies working on new products can be more rapidly established, discretionary funding is more widely available, and mergers and acquisitions are more easily achieved, compared to coordinated market economies. These institutional features allow liberal market economies to excel in sectors such as software or biotechnology.

By contrast, coordinated market economies are seen as better suited to support incremental innovation. Shopfloor workers have incentives to contribute to innovation as they are more securely employed, more autonomous and able to influence the decisions of the firm whereas firm-transcending training systems provides workers with more than task-specific skills (Soskice and Hall, 2001). Additional contributions to ongoing incremental innovations come from patient capital, as exemplified by the German Mittelstand, as well as large family or foundation-controlled corporations. These features allow coordinated market economies to excel in sectors such as automotive and machinery.

The national systems of innovation approach builds on the general idea that economic production is governed by institutional configurations but it more specifically focused on exploring the institutional antecedents of innovation processes (Lundvall, 1992; Nelson, 1993). Analyses in this stream of work pay particular attention to differences across countries in terms of firm populations and their R&D laboratories, university-industry relations, legal frameworks, financial institutions and policy framework, and how these differences shape innovation outcomes. Extensions of this work include the characterization and analysis of regional and sectoral innovation systems (Cooke, Uranga, & Etxebarria, 1997; Malerba, 2002).

There are major differences between new institutional theory, discussed above, and the economic institutionalist theories discussed in the current section. First, economic theories deploy the concept of institution more broadly, and in a theoretically more encompassing sense, to include institutional actors, such as nationally operating organizations, which would not be deemed actors by new institutional theory. Economic theories also view more deliberative structures such as legal frameworks as institutions while new institutional scholars would rather focus on the deep structure of taken-for-granted norms, values and assumptions as constitutive of institutions. Second, in terms of unit of analysis, economic theories are more pointedly focused on innovation as an outcome of firm-level activity, and hence privilege the analysis of how innovation-related firm behavior is shaped by external constraints. New institutional theory, by contrast, is more versatile in being applicable to individual and organizational levels of analysis. Third, economic theories are more eclectic in terms of their notion of what constitutes an institution and the mechanisms responsible for institutional effects. While primarily inspired by the concept of transaction costs (Coase, 1937; North, 1990), they also variably point to the role of informal norms and conventions in ways that converge with new institutional theories (Geels, 2004; Hall & Soskice, 2001; Salais & Storper, 1997).

Economic institutional theories garnered peak interest in the 1990s and 2000s. Work since has gone in several directions. First, scholars have sought to empirically validate the main propositions advanced by earlier work. Herrmann (2008) found that, contrary to expectations, firms across both liberal and coordinated market economies were able to circumvent labor-related institutional constraints via open international labor markets and atypical contracts. This finding chimes with critiques by others who worry that comparative capitalism research underestimates the internationalization of product, capital and labor markets (Allen, 2013). Work on national innovation systems includes efforts to characterize

differences between the innovation efficiency of different systems (Guan & Chen, 2012). Second, scholars sought to extend the framework to additional empirical contexts, notably newly advancing economies and developing nations. Equally, the notion of innovation systems took root in debates innovation policy where it had a significant impact on shaping policy tools and interventions (Fagerberg, 2017).

Third, work on national systems of innovation has inspired analogous work on national systems of entrepreneurship. Acs, Autio, and Szerb (2014) conceptualized national systems of entrepreneurship as involving the patterns of interactions between individuals and their institutional contexts in producing entrepreneurial action (shaping the allocation of resources through creating and operating new ventures) and regulating the quality and outcomes of this action. Differences in these patterns then explain the large differences across countries with respect to composition, volume and outcome of entrepreneurship.

Discussion and Conclusion

We hope that by this point we have convinced you of the value of institutional theory in informing the study of innovation. While institutional theory began as an attempt to explain institutional isomorphism and emphasized stability and reproduction, institutions and institutional process nevertheless exert multiple influences on actors' ability and propensity to innovate. In this section, we will discuss some areas where we believe institutional theory is of particular value to innovation researchers and where future research might contribute to further consolidate our knowledge of how innovation works. There are naturally multiple overlaps between innovation and entrepreneurship, and hence readers may consult Sine, Raines and Cordero's chapter (this volume) on how institutional processes matter for entrepreneurial opportunity recognition and exploitation.

First, institutional theory pushes innovation researchers to think more broadly about the context of innovation. Institutional theory highlights the importance of social structure in

enabling and constraining innovation and provides a well-developed theoretical frame and vocabulary for thinking about how both social and organizational structures affect innovation processes. Institutional theory therefore provides the necessary theoretical resources to take context more seriously in innovation research. But institutional theory also challenges innovation researchers to broaden their examination of innovation to consider that innovation often requires changes in the institutional context in terms of new practices, new categories, and new organizational forms. Such a focus is particularly relevant in light of recent work on institutional logics that has emphasized how institutional heterogeneity can act as a source of innovation, notably within hybrid organizations but more generally within any organizational context characterized by institutional pluralism (Kraatz & Block, 2008). The fact that institutional heterogeneity can be of value to actors is also highlighted by recent work on institutional arbitrage (Perkmann, Phillips & Greenwood, 2022).

While extant research has made some inroads into exploring the role of context for innovation, there is an opportunity for future research to explore in more detail how innovators simultaneously work on both the technical product level and the institutional level to improve the chances for an innovation to be successful. This kind of multi-level approach is particularly relevant today when it comes to understanding digital innovation where product success relies not just on novel functionality but also on how innovators and their allies shape an institutional context in order to facilitate product uptake (Gurses & Ozcan, 2015). For instance, digital platform innovators may need to construct a coherent system of categories, practices and formal institutions including labor and licensing laws so that new services, such as the ones underpinning the shared economy, actually provide value to both consumers and producers (Hinings, Gegenhuber, & Greenwood, 2018).

Second, the central mechanism in institutional theory is legitimacy which refers to an audience's acceptance of an entity as desirable and worthwhile. Because innovation crucially

depends on the actual acceptance of a new entity, such as product, a process or service, by a relevant audience, institutional theory is very relevant for the study of innovation. Existing research on the role of legitimacy in facilitating both the development and diffusion of innovation has generated interesting insights, such as the role of entrepreneurs' storytelling in generating appeal for an innovation (Lounsbury & Glynn, 2001). Yet more can be done to elucidate the link between legitimacy and innovation. This may include studies to differentiate between, on one hand, the effect of cognitive affordance or cognitive lock-in, and, on the other, the effect of moral and regulative legitimacy, for hampering innovation both at the development and diffusion stage. Whether one or the other mechanism is at work makes a key difference when it comes to managing barriers to innovation on the part of both innovators and wider stakeholders such as policy-makers and regulators.

Legitimacy also plays an important role in informing processes that are of second-order relevance for innovation. For instance, societal stakeholders such as social movements and activist shareholders constantly work to generate legitimacy for some innovations and illegitimacy for others they deem undesirable. Recently, corporations such as oil and gas producers, airlines and aircraft manufacturers are under constant pressure to abandon high-carbon innovation trajectories in favor of low-carbon innovation. How corporations engage with these audiences and respond to the pressures they exert, and the outcomes in terms of innovation, represent a worthwhile subject for future studies.

Third, and following on from the above, for innovation researchers with an interest in social innovation and social entrepreneurship, ideas from institutional theory, and in particular work on institutional entrepreneurship, institutional work and social symbolic work constitute important conceptual building stones (Lawrence & Phillips, 2019). Social innovation broadly refers to the creation and diffusion of solutions to what are recognized as broader societal problems and that most often require the orchestration of a variety of actors

from different organizational fields (Stott & Tracey, 2018). Here again there are interesting links between the product/service level and the wider institutional context that need to be studied in more detail. In areas such microbial resistance, the regulation of old and new chemicals (Maguire & Hardy, 2019) or the reconfiguration of global supply chains for agricultural produce (Moser, Reinecke, den Hond, Svejenova, & Croidieu, 2021; Reinecke & Ansari, 2015), product innovators need to engage a multiplicity of stakeholders. This includes working on questions such as how consumption patterns can be upended and reshaped (a question of institutional work), how diverse actors can be orchestrated (a question of field configuration) and how the wider institutional structures can be transformed (a question of institutional entrepreneurship)?

Finally, from an interdisciplinary perspective, there is significant potential in bringing together institutional theory and institutional economics. For example, institutional theorists may explore the role that the relative coherence of institutional configurations, for instance in terms of generating institutional outcomes, plays in maintaining institutional stability or inciting change. This would include particular attention to the relationship between strategic and conscious institutional work performed by macro-actors including governments and unions, and bottom-up processes of emergence where institutions evolve as side-effects of other developments.

In conclusion, we hope to have shown that institutional theory - with its conceptual building blocks of isomorphism, legitimacy and institutional logics - has not only important implications for how actors including corporates, entrepreneurs and users innovate and how their innovations spread. Institutional theory also provides a means to understand better how both the creation, development and diffusion of innovation intersects with field and societal-level processes, and how the latter co-determine innovation success.

References

Abrahamson, E. 1996. Management fashion. ***Academy of Management Review***, 21(1): 254-285.

Acs, Z. J., Autio, E., & Szerb, L. 2014. National systems of entrepreneurship: Measurement issues and policy implications. ***Research policy***, 43(3): 476-494.

Adams, D. W. & Von Pischke, J. 1992. Microenterprise credit programs: Deja vu. ***World development***, 20(10): 1463-1470.

Allen, M. M. C. 2013. Comparative capitalisms and the institutional embeddedness of innovative capabilities. ***Socio-Economic Review***, 11(4): 771-794.

Almandoz, J. 2012. Arriving at the starting line: The impact of community and financial logics on new banking ventures. ***Academy of Management Journal***, 55(6): 1381-1406.

Ansari, S. M., Fiss, P. C., & Zajac, E. J. 2010. Made to fit: how practices vary as they diffuse. ***Academy of Management Review***, 35(1): 67-92.

Battilana, J. & Dorado, S. 2010. Building sustainable hybrid organizations: the case of commercial microfinance organizations. ***Academy of Management Journal***, 53(6): 1419–1440.

Battilana, J., Besharov, M., & Mitzinneck, B. 2017. On hybrids and hybrid organizing: A review and roadmap for future research. In C. Oliver, R. E. Meyer, R. Greenwood, & T. B. Lawrence (Eds.), ***The SAGE handbook of organizational institutionalism***: 133-169.

Benner, M. J. 2010. Securities analysts and incumbent response to radical technological change: Evidence from digital photography and internet telephony. ***Organization Science***, 21(1): 42-62.

Benner, M. J. & Tripsas, M. 2012. The influence of prior industry affiliation on framing in nascent industries: The evolution of digital cameras. ***Strategic Management Journal***, 33(3): 277-302.

Benner, M. J. & Ranganathan, R. 2013. Divergent reactions to convergent strategies: Investor beliefs and analyst reactions during technological change. ***Organization Science***, 24(2): 378-394.

Berger, P. & Luckmann, T. 1966. ***The social construction of reality: A treatise in the sociology of knowledge***. Garden City: Doubleday.

Christensen, C. M. & Rosenbloom, R. S. 1995. Explaining the attacker's advantage: Technological paradigms, organizational dynamics, and the value network. ***Research Policy***, 24(2): 233-257.

Coase, R. 1937. The nature of the firm. ***Economica***, 4: 386-405.

Cohen, S. L., Bingham, C. B., & Hallen, B. L. 2018. The Role of Accelerator Designs in Mitigating Bounded Rationality in New Ventures. ***Administrative Science Quarterly***, 16(4): 810–854.

Compagni, A., Mele, V., & Ravasi, D. 2015. How Early Implementations Influence Later Adoptions of Innovation: Social Positioning and Skill Reproduction in the Diffusion of Robotic Surgery. ***Academy of Management Journal***, 58(1): 242-278.

Cooke, P., Uranga, M. G., & Etxebarria, G. 1997. Regional innovation systems: Institutional and organisational dimensions. ***Research policy***, 26(4-5): 475-491.

Czarniawska, B. & Sevón, G. 2005. ***Global ideas. how ideas, objects and practices travel in the global economy***. Copenhagen: Copenhagen Business School Press.

Dalpiaz, E., Rindova, V., & Ravasi, D. 2016. Combining logics to transform organizational agency: Blending industry and art at Alessi. ***Administrative Science Quarterly***, 61(3): 347-392.

DiMaggio, P. J. & Powell, W. W. 1991. The iron cage revisited: Institutional isomorphism and collective rationality in organizational fields. In W. W. Powell & P. J. DiMaggio (Eds.), ***The New Institutionalism in organizational analysis***: 63-82. Chicago: The University of Chicago Press.

Durand, R. & Thornton, P. H. 2018. Categorizing institutional logics, institutionalizing categories: A review of two literatures. ***Academy of Management Annals***, 12(2): 631-658.

Ettlie, J. E., Bridges, W. P., & O'keefe, R. D. 1984. Organization strategy and structural differences for radical versus incremental innovation. ***Management science***, 30(6): 682-695.

Fagerberg, J. 2017. Innovation policy: Rationales, lessons and challenges. ***Journal of Economic Surveys***, 31(2): 497-512.

Fiss, P. C. & Zajac, E. J. 2004. The diffusion of ideas over contested terrain: The (Non)adoption of a shareholder value orientation among German firms. ***Administrative Science Quarterly***, 49(4): 501-534.
Fosfuri, A. & Rønde, T. 2009. Leveraging resistance to change and the skunk works model of innovation. ***Journal of Economic Behavior & Organization***, 72(1): 274-289.
Fosfuri, A., Giarratana, M. S., & Roca, E. 2016. Social business hybrids: Demand externalities, competitive advantage, and growth through diversification. ***Organization Science***, 27(5): 1275-1289.
Foster, R. N. 1988. ***Innovation: The attacker's advantage***: Summit books.
Friedland, R. & Alford, R. R. 1991. Bringing society back in: symbols, practice, and institutional contradictions. In W. W. Powell & P. J. DiMaggio (Eds.), ***The New Institutionalism in organizational analysis***: 232-266. Chicago: University of Chicago Press.
Geels, F. W. 2004. From sectoral systems of innovation to socio-technical systems: Insights about dynamics and change from sociology and institutional theory. ***Research policy***, 33(6-7): 897-920.
Grodal, S., Gotsopoulos, A., & Suarez, F. F. 2015. The coevolution of technologies and categories during industry emergence. ***Academy of Management Review***, 40(3): 423-445.
Guan, J. & Chen, K. 2012. Modeling the relative efficiency of national innovation systems. ***Research policy***, 41(1): 102-115.
Gurses, K. & Ozcan, P. 2015. Entrepreneurship in regulated markets: Framing contests and collective action to introduce pay TV in the US. ***Academy of Management Journal***, 58(6): 1709-1739.
Hall, P. A. & Soskice, D. (Eds.). 2001. ***Varieties of capitalism: the institutional foundations of comparative advantage***. Oxford: Oxford University Press.
Hampel, C. E., Lawrence, T. B., & Tracey, P. 2017. Institutional work: Taking stock and making it matter. ***The Sage handbook of organizational institutionalism***: 558-590.
Hardy, C. & Maguire, S. 2008. Institutional entrepreneurship. In R. Greenwood, C. Oliver, K. Sahlin, & R. Suddaby (Eds.), ***The SAGE handbook of organizational institutionalism***: 198-217. Los Angeles: Sage.
Hardy, C. & Maguire, S. 2017. Institutional entrepreneurship and change in fields. In R. Greenwood, C. Oliver, T. B. Lwrence, & R. E. Meyer (Eds.), ***The SAGE handbook of organizational institutionalism***: 261-280. Los Angeles: Sage.
Hargadon, A. B. & Douglas, Y. 2001. When innovations meet institutions: Edison and the design of the electric light. ***Administrative Science Quarterly***, 46(3): 476-501.
Herrmann, A. M. 2008. Rethinking the link between labour market flexibility and corporate competitiveness: a critique of the institutionalist literature. ***Socio-Economic Review***, 6(4): 637-669.
Hinings, B., Gegenhuber, T., & Greenwood, R. 2018. Digital innovation and transformation: An institutional perspective. ***Information and organization***, 28(1): 52-61.
Hinings, C. R., Greenwood, R., Reay, T., & Suddaby, R. 2004. Dynamics of change in organizational fields. In M. S. Poole & A. H. Van de Ven (Eds.), ***Handbook of organizational change and innovation***: 304-323.
Hodgson, G. M. 2001. ***How economics forgot history: The problem of historical specificity in social science***: Routledge.
Jackall, R. 1988. ***Moral Mazes: The World of Corporate Managers***. Oxford: Oxford University Press.
Jay, J. 2013. Navigating paradox as a mechanism of change and innovation in hybrid organizations. ***Academy of Management Journal***, 56(1): 137-159.
Jepperson, R. L. 1991. Institutions, institutional effects and institutionalism. In W. W. Powell & P. J. DiMaggio (Eds.), ***The New Institutionalism in organizational analysis***: 143-163. Chicago: The University of Chicago Press.
Kavanagh, B., Perkmann, M., & Phillips, N. 2021. Collective identity and the limits of innovation: a review and research agenda. ***Innovation***, 23(1): 1-16.
Kennedy, M. T. & Fiss, P. C. 2009. Institutionalization, framing, and diffusion: The logic of TQM adoption and implementation decisions among US hospitals. ***Academy of Management Journal***, 52(5): 897-918.

Kogut, B., Walker, G., & Anand, J. 2002. Agency and institutions: National divergences in diversification behavior. ***Organization science***, 13(2): 162-178.
Kraatz, M. S. & Block, E. S. 2008. Organizational implications of institutional pluralism. In R. Greenwood, C. Oliver, K. Sahlin, & R. Suddaby (Eds.), ***Handbook of organizational institutionalism***: 243-275. Los Angeles: Sage.
Lawrence, T. B. & Suddaby, R. 2008. Institutions and institutional work. In S. R. Clegg, C. Hardy, T. B. Lawrence, & W. Nord (Eds.), ***The SAGE Handbook of Organization Studies***: 215-254. Thousand Oaks: Sage.
Lawrence, T. B. & Phillips, N. 2019. ***Constructing organizational life: How social-symbolic work shapes selves, organizations, and institutions***. Oxford: Oxford University Press.
Lounsbury, M. & Glynn, M. A. 2001. Cultural entrepreneurship: Stories, legitimacy, and the acquisition of resources. ***Strategic Management Journal***, 22(6-7): 545-564.
Lundvall, B.-Å. 1992. ***National systems of innovation: towards a theory of innovation and interactive learning***. London: Pinter Publishers.
Maguire, S. & Hardy, C. 2019. The discourse of risk and processes of institutional change: The case of green chemistry. In T. Reay, T. Zilber, H. Tsoukas, & A. Langley (Eds.), ***Institutions and Organizations: A Process View, Perspectives on Process Organization Studies***: 154-173. Oxford: Oxford University Press.
Malerba, F. 2002. Sectoral systems of innovation and production. ***Research policy***, 31(2): 247-264.
Meyer, J. W. & Rowan, B. 1977. Institutionalized organizations: formal structure as myth and ceremony. ***American Journal of Sociology***, 83(2): 340-363.
Moser, C., Reinecke, J., den Hond, F., Svejenova, S., & Croidieu, G. 2021. Biomateriality and organizing: Towards an organizational perspective on food, vol. 42: 175-193: Sage publications Sage UK: London, England.
Mowery, D. C. 2009. Plus ca change: Industrial R&D in the "third industrial revolution". ***Industrial and Corporate Change***, 18(1): 1-50.
Munir, K. A. & Phillips, N. 2005. The birth of the 'Kodak Moment': Institutional entrepreneurship and the adoption of new technologies. ***Organization Studies***, 26(11): 1665-1687.
Murray, F. 2010. The oncomouse that roared: Hybrid exchange strategies as a source of distinction at the boundary of overlapping institutions. ***American Journal of Sociology***, 116(2): 341-388.
Naumovska, I., Gaba, V., & Greve, H. R. 2021. The Diffusion of Differences: A Review and Reorientation of 20 Years of Diffusion Research. ***Academy of Management Annals***, 15(2): 377-405.
Navis, C. & Glynn, M. A. 2010. How New Market Categories Emerge: Temporal Dynamics of Legitimacy, Identity, and Entrepreneurship in Satellite Radio, 1990–2005. ***Administrative Science Quarterly***, 55(3): 439-471.
Nelson, R. R. 1993. ***National innovation systems: a comparative analysis***. New York ; Oxford: Oxford University Press.
North, D. C. 1990. ***Institutions, institutional change and economic performance***. New YorK: Cambridge University Press.
Oliver, C. 1991. Strategic responses to institutional processes. ***Academy of Management Review***, 16(1): 145-179.
Orlikowski, W. J. & Gash, D. C. 1994. Technological frames: making sense of information technology in organizations. ***ACM Trans. Inf. Syst.***, 12(2): 174-207.
Pache, A.-C. & Santos, F. M. 2010. When worlds collide: the internal dynamics of organizational responses to conflicting institutional logics. ***Academy of Management Review***, 35(3): 455-476.
Pahnke, E. C., Katila, R., & Eisenhardt, K. M. 2015. Who takes you to the dance? How partners' institutional logics influence innovation in young firms. ***Administrative Science Quarterly***, 60(4): 596-633
Perkmann, M. & Spicer, A. 2008. How are management fashions institutionalized? The role of institutional work. ***Human Relations***, 61(6): 811–844.
Perkmann, M. & Spicer, A. 2014. How emerging organizations take torm: The role of imprinting and values in organizational bricolage. ***Organization Science***, 25(6): 1785-1806.

Perkmann, M. & Schildt, H. 2015. Open data partnerships between firms and universities: The role of boundary organizations. ***Research Policy***, 44(5): 1133-1143.
Perkmann, M., McKelvey, M., & Phillips, N. 2019. Protecting scientists from Gordon Gekko: How organizations use hybrid spaces to engage with multiple institutional logics. ***Organization Science***, 30(2): 235-445.
Perkmann, M., Phillips, N., & Greenwood, R. 2022. Institutional Arbitrage: How Actors Exploit Institutional Difference. ***Organization Theory***, 3(2): 26317877221090313.
Phillips, N., Lawrence, T. B., & Hardy, C. 2000. Inter-organizational collaboration and the dynamics of institutional fields. ***Journal of Management Studies***, 37(1): 23 - 43.
Phillips, N., Lawrence, T. B., & Hardy, C. 2004. Discourse and institutions. ***Academy of Management Review***, 29(4): 635-652.
Phillips, N. & Malhotra, N. 2008. Taking social construction seriously: Extending the discursive approach in institutional theory. In R. Greenwood, C. Oliver, R. Suddaby, & K. Sahlin (Eds.), ***SAGE Handbook of Organizational Institutionalism***: 702-720.
Powell, W. W. & Sandholtz, K. W. 2012. Amphibious entrepreneurs and the emergence of organizational forms. ***Strategic Entrepreneurship Journal***, 6(2): 94-115.
Purvis, R. L., Sambamurthy, V., & Zmud, R. W. 2001. The assimilation of knowledge platforms in organizations: An empirical investigation. ***Organization science***, 12(2): 117-135.
Reinecke, J. & Ansari, S. 2015. When times collide: Temporal brokerage at the intersection of markets and developments. ***Academy of Management Journal***, 58(2): 618-648.
Ries, E. 2017. ***The Startup Way: How Modern Companies Use Entrepreneurial Management to Transform Culture and Drive Long-term Growth***: Currency.
Rogers, E. M. 1983. ***Diffusion of innovations*** (3rd ed / Everett M. Rogers ed.). New York ; London: Free Press : Collier Macmillan.
Salais, R. & Storper, M. 1997. ***Worlds of production. The action frameworks of the economy***. Cambridge (Mass), London: Harvard University Press.
Samila, S. & Sorenson, O. 2011. Noncompete covenants: Incentives to innovate or impediments to growth. ***Management Science***, 57(3): 425-438.
Santos, F. M. & Eisenhardt, K. M. 2009. Constructing markets and organizing boundaries: Entrepreneurial action in nascent fields. ***Academy of Management Journal***, 52(4): 643 - 671.
Schildt, H. & Perkmann, M. 2017. Organizational settlements: Theorizing how organizations respond to institutional complexity. ***Journal of Management Inquiry*** 26(2): 139-145.
Scott, W. R. 1995. ***Institutions and organizations***. Thousand Oaks: Sage.
Sine, W., Raines, G & Cordero, A. 2024: Institutional theories of entrepreneurship. This volume: pages xxx.
Stott, N. & Tracey, P. 2018. Organizing and innovating in poor places. ***Innovation***, 20(1): 1-17.
Strang, D. & Macy, M. W. 2001. In search of excellence: fads, success stories, and adaptive emulation. ***American Journal of Sociology***, 107(1): 147-182.
Suchman, M. C. 1995. Managing legitimacy: strategic and institutional approaches. ***Academy of Management Review***, 20(3): 571-610.
Thornton, P. H. & Ocasio, W. 1999. Institutional logics and the historical contingency of power in organizations: Executive succession in the higher education publishing industry, 1958-1990. ***American Journal of Sociology***, 105(3): 801-843.
Thornton, P. H., Ocasio, W., & Lounsbury, M. 2012. ***The institutional logics perspective***. Oxford: Oxford University Press.
Tolbert, P. S. & Zucker, L. G. 1983. Institutional sources of change in the formal structure of organizations: the diffusion of civil service reform, 1880-1935. ***Administrative Science Quarterly***, 28(1): 22-39.
Tripsas, M. 2009. Technology, identity, and inertia through the lens of" The Digital Photography Company". ***Organization Science***, 20(2): 441-460.
van Dijk, S., Berends, H., Jelinek, M., Romme, A. G. L., & Weggeman, M. 2011. Micro-Institutional Affordances and Strategies of Radical Innovation. ***Organization Studies***, 32(11): 1485-1513.
Weber, F., Lehmann, J., Graf-Vlachy, L., & König, A. 2019. Institution-infused sensemaking of discontinuous innovations: the case of the sharing economy. ***Journal of Product Innovation Management***, 36(5): 632-660.

Weber, K., Heinze, K., & DeSoucey, M. 2008. Forage for thought: Mobilizing codes in the movement for grass-fed meat and dairy products. ***Administrative Science Quarterly.***, 53(3): 529–567.
Weitzman, M. L. 1998. Recombinant growth. ***The Quarterly Journal of Economics***, 113(2): 331-360.
Whitley, R. 1999. ***Divergent capitalisms: The social structuring and change of business systems***: OUP Oxford.
Wry, T., Lounsbury, M., & Glynn, M. A. 2011. Legitimating nascent collective identities: Coordinating cultural entrepreneurship. ***Organization Science***, 22(2): 449-463.

View publication stats