

Neoinstitutionalism as a theory term paper examples

[Business](#), [Organization](#)



PART 1

Society and institutions are key concepts in sociological studies. From as early as the 1980s, there have been attempts to revise the key sociological concepts of institutions giving rise to 'New Institutionalism' or "Neoinstitutionalism." At first, the ideas were based on organizational theory but the ideas quickly broadened to include micro sociology or individualism and global sociology. In sociological studies, institutional analysis is conducted for understanding how institutions affect and influence individual and collective human behavior. Conclusions can be made through empirical approaches or inferential analyses, which give various scientifically admissible conclusions on the subject. Past studies have shown that institutions are intimately connected to how the rules of interaction between actors (individuals) are defined. Institutions shape human interactions by placing constraints on behavior. When institutional controls are placed on human conduct over a length of time, it is therefore possible to conclude that institutions shape societies through time.

Institutionalism as a theoretical research program (TRP) has evolved compared to other research programs centered on the actor. The earliest research on Neoinstitutionalism was conducted on education. The analytics were supported by established literature on the effects of schooling on individuals and their perception of their position in society. The intellectual results from the studies on institutionalism combined with those from other studies have been the most resourceful in the TRP (Meyer, 1986; Meyer & Ramirez, 1981; Meyer & Ramirez, 2000 as cited in Jepperson 2001). The integration of the intellectual studies has also been the main basis for

comparative studies and broader research conducted in the field (Jepperson, 2001).

Definitions

Neoinstitutionalism is made up of various terms that feature predominantly in the studies. The first is organizations or institutions. Organizations are simply structures that function within various technical environments and which support decision making and efficient operation. Examples of institutions are schools and hospitals. In development of institutionalism, ecological populations can be considered as institutions. Primarily the environment in which the organization operates identifies such populations. Jepperson (2001) acknowledges that there is continued interaction between ecology and sociology as far as institutionalism is concerned. Ecologists have adopted the concept of organizational populations and institutional forces in understanding how both affect the environment. Unfortunately, there are little other comparisons between institutionalist and other concepts, notably rationalism. Comparisons and further interaction between the two are further hampered by the mutual disinterest that prevails among scholars.

Institutionalists continue to maintain a macroscopic approach to the subject making it possible for other perspectives to be incorporated on a microscopic level (Jepperson, 2001).

Considering the realism that is employed in most organizational analyses, it is common to equate institutionalism to exaggerated culturalism (Jepperson 2001). Charles Perrow (Perrow 1985, as cited in Jepperson, 2001) used the statement “ overboard with myth and symbols” to define culture, and by

extension, institutions that behaved in a similar manner. Presently, Institutionalism is focused on narrow actor and interest theories. Most studies feature the myopic interests of professional elites or individual states. The results address symbolic issues of little meaning to other institutions.

The second term is nation or state. The world is simply divided into countries by boundaries, which separate one jurisdiction from the next. The governments that run these countries can be considered as the most common form of institution. Institutional and ecological perspectives on the world and states evolved separately but concurrently. Initially, scholars such as Hannan and Meyer (Jepperson, 2001) were optimistic about finding consensus between ecological and institutional perspectives. With time, these perspectives changed because the scholars realized that the dynamic of population ecology reduced the possibility of such parallels. For institutionalists, world polity provides a platform for conceptualizing and contextualizing ideas on the global economy and stratification (Jepperson, 2001).

Individualism is central to the development of western history and culture. The individual is composed of the soul and the body. The body gives rise to the private self who is protected by state laws and other regulations. Institutions such as the state emphasize individualism through public theory and political ideas such as citizenship, religion, and wealth. As such, individualism has played a key role in shaping the Western cultural society. Scholars have repeatedly depicted individualism as a reaction towards cities, industrial work, or markets. This implies that people experience these forces

collectively but react to them individually or as households and communities which can be considered individualistic in the broad sense of the word. The individuals who hold the collective mandate such as presidents or the chairpersons of professional institutions respond on behalf of the society. They represent, through the authority given to them, the collective aspirations of the institutions they commandeer. Such variations of individualistic reactions then combine to create a large-scale cultural pattern that emanates from individualism

Scope

Like all sociological theories, Neoinstitutionalism is thronged by the peculiarity of the human factor. The centrality of the human actor in sociological phenomena makes it difficult for researchers to arrive at similar conclusions even when studying comparative institutions. This unique challenge can be explained by the varying motivations for decision making among individuals. Some decisions are made for personal interests while others are made for strategic purposes (Jepperson, 2001). These decisions can be made concurrently or at different times and under differing circumstances. The common thread in all this is the human actor or the individual.

Cultural institutionalization uses the boundaries of culture to classify individuals, organizations, and states into autonomous and highly integrated units. Empirical studies show that such cultural units are not tightly bound but loosely associated along both in construction and interaction (Jepperson, 2001). The actors as perceived from the cultural institutionalization

standpoint are tightly bounded closed to environmental influences. However, from the empirical findings, it is clear that actors from this institutionalism are open and willing to participate and be subjected to contextual effects (Jepperson, 2001). The actors participate in the initial construction of their identities to the management of their identities. They also participate in a consultative forum with other actors to decide the choices that will be available to them (Jepperson, 2001).

Neoinstitutionalism exhibits similar weaknesses as in cultural institutionalism. Institutionalism in itself focuses the lens on the institution's influence on the actor usually with little or no emphasis of the actor's influence on the institution. The focus on institutions means that researchers will pay attention to why and where the institutions are formed and not on what happens in the institution. For example, an institutionalist's interest in political elections will be on why and where elections happen as opposed to who votes, why they vote and whom the vote for.

The new institutionalism as denoted by time and the advent of information and technology is qualitatively different from what it was a decade ago. The actor today is more informed and more aware of the socio-economical influences that affect his or her life. Modern actors are very different from the peasants who were the subject of numerous anthropological studies in the past. There is need to study the "modern actors" in extensive anthropological studies in order to understand them better. The results could show that some of the controversial Neoinstitutionalism findings are very well in line with the modern actors and institutions (Jepperson, 2001).

Propositions

Modern interpretations of institutionalism employ direct inferential methodologies in arriving at conclusions. Neo institutional researchers mainly seek to demonstrate the existence of changes by decoupling and differentiating previously unassociated isomorphisms and consequently blame institutionalization as the cause of the phenomena (Jepperson, 2001). Schneiberg and Clemens (as cited in Jepperson, 2001) described the “inputed effects” as the strategy in which researchers use the absence of standard correlations as evidence of underlying institutional influences. For nations and states, the existence of isomorphism coupled with the absence of significant economic effects together with signs of global societal processes are used to infer institutionalization.

There are no established methodological tools to be used in conducting theoretical growth and innovation in institutionalization. Presently, there is no specific logic that is used to explain data for research beyond the multi-tiered analysis methods that are currently employed in studying individualism. Despite this, the subject has managed to generate interesting theories and applications in sociology. The term Neoinstitutionalism creates a sense of novelty and the possibility of more studies being conducted in the field. The future is open to empirical studies and perhaps a combination of qualitative and quantitative studies, which will usher in the age of postmodern institutionalism.

PART 2

Scholars have attempted to explain how the institutions have advanced from being the normative type to being the modern flexible structures, which are more responsive to the changing interests and needs of the society. This section endeavors to explain three scholarly articles in light of how they explain the connection between the old institutionalism and the current form of institutionalism referred to as neo-institutionalism. The section will also specify the form of advancement represented by each article.

Articles One:

Integrating institutions: The time-series properties of country institutional measures by Sobel & Coyne (2011).

According to Sobel & Coyne (2011), institutional or organizational management can be used to explain neo-institutionalism. The authors argue that modern organizations are quite different from the normative institutions as explained by Max Weber in his iron cage thought. This though is responsible for the formulation of the concept of bureaucracy and red tape management, which emphasizes the importance of structures, strict rules, and regulations in the traditional organization. Sobel & Coyne (2011) outlines the difference between the traditional organization (which was beauty bound) and the modern organization whose decisions and activities are more of a response to the dynamic needs and changing interests of all public stakeholders. The stakeholders in this case refer to other institutions in the institutional environment, which are responsible for influencing the decisions of an organization. Sobel & Coyne (2011) used the term “ institutional peer

pressure” to refer to this type of influence.

The transformation in institution is brought out by the elaboration, which explains the difference between the manner in which normative institutions interacted and how modern institutions influenced one another. In explaining institutional evolution, Sobel & Coyne (2011) posit that modern organizations and institutions take a people-based approach as opposed to the traditional system-based approach.

Type of theory advancement

Sobel & Coyne (2011) represents an aspect of integration as part of neo-institutionalism theory development. This can be attributed to the focus it places on elaborating the criteria modern institutions are integrate through comprehensive interdependence in both operations and policymaking. Policymaking involves one institution influencing another by presenting the different needs of the society at different capacities. For instance, legal institutions greatly affect business organizations by shaping their internal constitution and articles of association. Similarly, professional institutions affect the internal standards and codes of conduct of various institutions that make use of professional knowledge associated with the concerned institutional body. A good example is the national professional body in charge of the teaching profession often provides guidelines to be adopted in forming the teachers’ code of conduct within the internal environment of various educational institutions. From these examples, it is evident that Sobel & Coyne (2011) explains the advancement of neo-institutionalism in

terms of integration because their explanation is based on the development of new concepts and new theoretical language among institutions.

Article Two:

The Neoinstitutionalist Theory of Value. Journal of Economic Issues by Bush

In this article, Bush (2009) explain neo-institutionalism from the perspective of modern business organizations and emphasizes elaboration and

variations. Bush (2009) argues that institutionalism theory has advanced

considerably considering the nature and roles of a modern institution when

compared to those of the traditional institution. Bush (2009) contends that

modern institutions are quite complex in the sense that they have a more

social outlook as compared to the traditional and normative rigid institutions

whose decisions did not reflect the needs and dynamic interests of the

various stake holders, both internal and external. To elaborate this point,

Bush (2009) explains that the variation between the normative

institutionalism and modern institutionalism can be explained by the extent

to which institutions, in search of continuous improvement, carry out bench

marking using the most developed organizations in an environment as the

yardsticks for performance. The implication according to Bush (2009) is that

the modern institutional environment is made up of a network on

interconnected and interdependent institutions that borrow from one another

in terms of ideas and methods of going about operations. Bush (2009)

explains that this interdependence tends to unify the internal environment of institutions.

Bush (2009) acknowledges that universality is practically impossible in

institutionalism because the nature of institutions varies depending on bigger or more complex institutions such as the legal institutions, government supervisory bodies, and other interest groups in the public domain. He further explains that the major variation in institutions is manifested in the extent to which external stakeholders have been given prominence in all major decisions both strategic and operational in key organizations of various sectors. This according to Bush (2009) is the reason why unlike the traditional business organizations, modern ones have the customer as the most important stakeholder. The inference is that the interest needs and demands of the client, shape and determine the direction of the organization.

Type of theory advancement

The type of theory advancement in explaining neo-institutionalism according to Bush (2009) is Elaboration. The entire article focuses on elaboration and variations of structural functions among institutions within the society. Such institutions borrow from another or elaborate the structures of its predecessors to build upon their own structures. As such, relating this theory development to neo-institutionalism involves an aspect of articulating the structure of theory. An improvement in ideas, policies, and management structures of modern institutions follows a similar pattern used by traditional institutions with the difference being that later involves elaboration of structures. Equally, the advancement in theory as discussed by Bush (2009) entails generalization of interconnected and interdependent ideas and structures from different institutions.

Article Three:

Neofunctionalism and neoinstitutionalism: Human agency and interest in institutional change by Colomy

Colomy (1998) focuses on elaboration and competitions in neo-institutionalism. Like Bush (2009), Colomy (1998) explains that neo-institutionalism embraces external stakeholders to the extent that their decision-making exposes the needs and dynamic interests of external stakeholder. In addition to prioritizing external stakeholders, neo-institutionalism recognizes competition as one form of interaction in the institutional environment as opposed to the normative era; modern institutionalism has competition as an integral feature. Colomy (1998) explains that there is a close connection between competition and globalization in the modern institution environment. As such, Colomy (1998) points out that since institutions are highly becoming internationalized, competition is bound to be higher because the standards in the global arena are quite high and the customers are gaining awareness of their prominent position in the internal decision making procedures such as pricing. As a way of responding to the competition, institutions alter their policies in an endeavor to rise above their competitors in the industry. This helps such organizations to formulate strategies to respond as well alter the policies to counter the steps taken by their competitors. In the end, Colomy (1998) concludes that endless interaction characterized the institution environment.

Type of theory advancement

The type of theory modification presented in Colomy (1998) is competition. Institutions use different theoretical structures and domains to survive the competitive nature of the industry. Coupled with the effects of globalization, institutions are forced to study the strategies and measures used by their competitors to not only respond/counter the strategies applied by the competitors but also increase their chances of surviving in their respective industries.

Conclusion

Sociological neoinstitutionalism has been recognized as a theory in sociology. However, institutionalism has not enjoyed similar acceptance because the field is highly segmented and attracts plenty of intellectual debate. Furthermore, research in the field has little or no recognition. Additionally, American sociology's intellectual culture is individualist and realist compared to institutionalism, which is phenomenological, and structuralist. Fundamental institutionalist's focus on the basic matrices of society makes it difficult for American sociologists to consider it as a legitimate social theory.

The cultural model of understanding the world uses actor and interest as the basis for understanding human behavior. The world, which represents an institution, is made up of individual actors whose interests bear down on the systems around them. This actor and interest explanation has been used as the baseline for understanding the institutional social theory. Culturalism and institutionalism are thus used to address any anomalies and gaps that exist

in the actor/interest definition. The sociological neoinstitutionalism addressed in this paper has established itself in a number of sociological subfields. At the same time, it has failed to gain full recognition as a basic social theory. Acceptance will only be achieved by deepening and broadening the scope of research conducted on the subject.

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