



# The search for legitimacy and organizational change: The agency of subordinated actors

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Certified management systems;  
Legitimacy;  
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Self-regulation;  
Standard

**Summary** This article investigates the organizational changes triggered by the implementation of certified management systems (CMS) in Denmark and explores how institutionalized organizational practices change over time. The study shows that improvements in performance were not significant in the implementation of CMS, though in most cases its adoption implied organizational changes. The study also shows that the search for external legitimacy was appropriated by various internal organizational actors, other than management. When internal actors share the institutionalized beliefs and norms of the wider society, they implicitly strive to reduce decoupling. We argue that understanding the social dynamics of legitimacy in organisations requires paying attention to the agency of superordinated as well as subordinate actors.

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## Introduction

During the last two decades, certified management systems (CMSs) have gained in importance and have been used by firms all over the world in different organisational fields. There has been a diffusion of certified standards and self-regulatory regimes in the United States, Europe and other advanced economies (Gunnigham & Ress, 1997), creating an emerging world of standards (Brunsson & Jacobsson, 2000). CMS are an attempt to codify voluntary practices that are socially desirable (legitimated) and economically viable in areas as diverse as quality, the working environment, environmental management, labour management and e-commerce security. Examples of CMS include the standards ISO 9000 (quality), ISO 14001 (environmental management

standard), OHS 18000 (health and safety management systems) and ISO 26000 (social responsibility). A whole industry and extensive scholarly interest have emerged focusing on standardisation and certification processes. CMS are designed to support companies in documenting their performance, developing preventive measures and fulfilling new demands in a variety of organizational areas. There are CMS with varying levels of complexity, requirements and degrees of being voluntary or mandatory. Institutional research has been used to analyse corporate social practices (Campbell, 2007; Marquis, Glynn, & Davis, 2007), quality management (Westphal, Gulati, & Shortell, 1997) and standardization in general (Meyer, 2000; Tempel & Walgenbach, 2007).

Most research on CMS argues that institutional pressures facilitate diffusion and compel the adoption of certified management standards (Guler, Guillén, & Macpherson, 2002; Mendel, 2002; Rocha, 2010). In our understanding, the literature leaves two significant gaps. First, existing research has neglected institutional factors (i.e. agency),

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which shape the adoption and functioning of CMS in the field of OHS. Secondly, the study of CMS has mainly been carried out using quantitative research methods, without taking into account organizational processes over time. In order to address the first gap, this paper explicitly draws on institutional theory by discussing the importance of the different institutional factors that may influence the adoption and functioning of CMS. In relation to the second gap, since very little is known about which organizational processes are supported by the adoption of CMS, the article uses data from a qualitative study to analyze organizational processes subsequent to the adoption of CMS. Specifically, the article aims to answer two research questions. First, how do managers and workers in the five companies adopted as case studies here construct and interpret the drivers for adopting and keeping CMS? Secondly, how do organizational actors act upon the adopted systems and influence their functioning over time?

Our analysis of the functioning of CMS in five companies shows that it is necessary to move away from elite-driven analyses of how organizational change occurs. It is by contesting legitimacy in everyday situations that subordinate actors create small gaps and cracks in legitimacy that management continually needs to repair, small everyday acts of contestation that provoke incremental change in how reality is perceived and negotiated, which in turn leads to organizational change. Legitimacy needs to be treated not as something to be professed by elite actors (management, owners, state agents), but as constructed through everyday organizational struggles. Lawrence and Suddaby (2006) point out that the role of actors in institutional and organizational change has been investigated mainly under the rubric of institutional entrepreneurship and that the focus has been on actors occupying some key strategic positions. The authors argue that the 'institutional work...the purposive action of individuals and organizations aimed at creating, maintaining, and disrupting institutions' (2006: 215) is required on the part of a wide range of actors, 'both with the resources and skills to act as entrepreneurs and those whose role is supportive or facilitative of the entrepreneurs' endeavors' (2006: 217). There is very little knowledge about how diverse organizational actors affect institutionalization processes through their everyday acts of support and contestation. This is the area to which this article aims to contribute. We argue that the search for external legitimacy triggers organizational processes which may change the institutionalized practices of internal actors as unintended consequences of managerial action. Internal actors share the institutionalized beliefs and norms of the wider society and thus implicitly strive to reduce decoupling.

The article is structured as follows. First, I discuss the search for legitimacy by different organizational actors and the specific literature on CMS in the field of occupational health and safety. Secondly, the methodology of the research is presented. Thirdly, the focus turns to the specific case studies. The agency of actors at different organizational layers is shown, as is how they have tried to influence the functioning of CMS. The final section summarizes the main findings and discusses the implications of the research for the broader debate on legitimacy and institutional change.

## The battle over legitimacy: elite claims and everyday contestation

All economic activity is embedded within a national institutional context of social norms, rules and expectations which define socially acceptable economic behaviour (Zukin & DiMaggio, 1990). Because organisations are embedded in institutional orders, they must transmit signs of legitimacy and normality in order to remain on favourable terms with their constituencies (DiMaggio & Powell, 1983; Meyer & Rowan, 1977). We adopt the definition of legitimacy provided by Suchman (1995), according to whom legitimacy is '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).

Organizations need to convince larger publics that they are legitimate, and they continually seek to enhance and protect their legitimacy (Scott, 2000). Since this is fundamental to extracting resources from the surrounding society, legitimacy increases the possibilities for survival. As a consequence, organisations will tend to conform to the environmental prescription of what is regarded and defined as appropriate and efficient. However, organizations are not necessarily passive in relation to the institutional environment but may also be active constructors of legitimacy.

The introduction of new practices is driven by the need to conform, rather than to achieve superior objective performance. As a consequence, firms may, for example, largely disregard the actual impact of organisational changes on organisational performance (Meyer & Rowan, 1977). When institutional and task environments are in conflict, decoupling can take place (Boxenbaum & Jonsson, 2008), i.e. organizational processes of buffering 'formal structures from the uncertainties of technical activities by becoming loosely coupled, building gaps between their formal structures and actual work activities' (Meyer & Rowan, 1977: 340–341). For instance, organizations may adopt managerial tools in order to dampen external pressures while at the same time maintaining internal structures that are not necessarily legitimacy-driven, thus helping organizations to avoid disruption to their own internal processes.

The main argument supporting the probability of decoupling is that CMS are implemented in firms as a source of legitimacy. In an effort to legitimise their images, companies are likely to decouple stated practices from actual behaviour. Several examples can be found in the literature. Kostova and Roth (2002) showed that decoupling processes occurred in the context of quality management. Westphal and Zajac (2001) revealed decoupling in the adoption of stock repurchasing programmes. Kimerling (2001) suggests that decoupling is likely to occur in the adoption of ethics codes when external pressures for legitimacy are high. Oliver (1991) argued that firms are more likely to avoid institutional pressures by using decoupling the greater the inconsistency between external pressures for change and internal goals. However, managers do not necessarily have a reflexive knowledge of institutional pressures and may be inclined to react to these pressures strategically by decoupling. Therefore, it is important to study how other actors respond to decoupling leading to unintended outcomes.

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