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Title: Deinstitutionalization revisited

Year: 2021

Version: Accepted version (Final draft)

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Please cite the original version:

Aksom, H. (2021). Deinstitutionalization revisited. *International Journal of Organizational Analysis*, ahead-of-print. <https://doi.org/10.1108/ijoa-06-2021-2845>



Deinstitutionalization revisited

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|------------------|---|
| Journal: | <i>International Journal of Organizational Analysis</i> |
| Manuscript ID | IJOA-06-2021-2845.R1 |
| Manuscript Type: | Original Article |
| Keywords: | Institutional theory, Deinstitutionalization, organizational practices, Diffusion, Adoption, Decoupling |
| | |

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Deinstitutionalization revisited

Abstract.

Purpose: The aim of this paper is to offer a new analysis and understanding of the notion of deinstitutionalization. Deinstitutionalization of taken-for-granted practices as a natural consequence of ever-increasing entropy seems to directly contradict the major institutional thesis, namely, that over time isomorphic forces increase and, as a result, possibilities for deinstitutionalization decrease culminating in the impossibility of abandoning in highly institutionalized fields.

Design/methodology/approach: This paper is conceptual in nature.

Findings: We argue that possibilities for deinstitutionalization have been overestimated in institutional literature and offer a revisited account of deinstitutionalization vs. institutional isomorphism and institutionalized vs. highly diffusing-but-not-institutionalized practices. A freedom for choice between alternative practices exists during the pre-institutional stage but not when the field is already institutionalized. In contrast, institutionalized, taken-for-granted practices are immutable to any sort of functional and political pressures and they use to persist even when no technical value remains thus deinstitutionalization on the basis of a functional dissatisfaction seems to be a paradox.

Originality/Value: We offer a solution to this theoretical inconsistency by distinguishing between truly institutionalized practices and currently popular practices (highly diffused but non-institutionalized). It is only the latter that are subject to the norms of progress that allow abandoning and replacing existing organizational activities. Deinstitutionalization theory is thus can be applied to popular practices that are subject to reevaluation, abandonment and replacement with new optimal practices while institutions are immutable to these norms of progress. Institutions are immutable to deinstitutionalization and the deinstitutionalization of optimal practices is subject to the logic of isomorphic convergence in organizational fields. Finally, we revisit a traditional two-stage institutional diffusion model in order to explain the possibility and likelihood of abandonment during different stages of institutionalization.

Research Implications/limitations: By revisiting the nature and patterns of deinstitutionalization, the paper offers a better conceptual classification and understanding of how organizations adopt, maintain and abandon organizational ideas and practices. An important task of this paper is to reduce the scope of application of deinstitutionalization theory to make it more focused and self-consistent. There is however still not enough volume of studies on

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2 institutional factors of practices' abandonment in institutional literature. We therefore
3 acknowledge that more studies are needed in order to further improve both the former
4 deinstitutionalization theory and our framework.
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8 **Keywords:** institutional theory, deinstitutionalization, organizational practices, diffusion,
9 adoption, decoupling.
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15 *“More commonly the term institution is applied to those features of social life which outlast*
16 *biological generations or survive drastic social changes that might have been expected to bring*
17 *them to an end. . . . A ceremony may be celebrated by people who no longer know its origin and*
18 *would repudiate its first meaning if they but knew it. A once technically useful means of*
19 *achieving some known end persists as an accepted and even sacred practice after better*
20 *technical devices have been invented”* (Hughes, 1939: 283-284).
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26 **1. Introduction.**

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28 Almost any scientific theory as it evolves over time finds itself limited by established boundaries
29 (Popper, 1963; Weinert, 1994; Bokulich and Bokulich, 2005;) and begins facing empirical
30 anomalies and theoretical inconsistencies (Laudan, 1977; Niiniluoto, 1984). New domains of
31 experience and new phenomena emerge that existing theory either can't explain or its
32 explanations create ambiguities and logical incommensurability between internal theoretical
33 claims and/or with explanations of rivalry theory which provide either equally possible accounts
34 or even better solve the perceived problem (Laudan, 1977). It is argued in this paper that
35 institutional theory experiences a number of theoretical puzzles and inconsistencies that the
36 former institutional isomorphism theory, management fashion theory and deinstitutionalization
37 framework create when considered as constituencies of a common theoretical program.
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47 If institutionalized organizational practices come to be seen as *“the only natural and obvious way*
48 *to conduct an activity”* (Oliver, 1992:565), if they persist and survive drastic social changes,
49 being accepted and celebrated while *“exist[ing] without obvious technical or economic value”*
50 (Staw and Epstein, 2000:524) or *“when better technical solutions have been invented”* (Hughes,
51 1939:283-284) then how these institutions can be deinstitutionalized? If nature and power of
52 institutions are of a higher order than individuals and/or group of individuals (Jepperson, 2002;
53 Schneiberg and Clemens, 2006), how actors can recognize the need and possibility of
54 reevaluating and abandoning something that by definition is beyond any evaluation and doubts?
55 How deinstitutionalization is possible given that the field is governed and structured by ever-
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2 increasing isomorphic forces that after some point in the field evolution lock organizations up
3 into the iron cage of institutional conformity, stability and inertia? How the concept of
4 decoupling can be reconciled with deinstitutionalization given that according to institutional
5 theory rational myths from the very beginning are inconsistent with ongoing activities and
6 internal functional needs are decoupled from adopted practice? And at the same time, how then
7 the fact can be explained that many once-successful practices nevertheless fade away and
8 disappear, being replaced by newer solutions (Abrahamson and Fairchild, 1999; Green, 2004;
9 Strang et al., 2014; Dacin et al., 2010; Aksom, 2021; Raynard et al., 2021)? We offer answers to
10 these and related theoretical questions and reconcile them into the same coherent, non-
11 contradicting framework as different refinements of a single institutional theory formulated in
12 Meyer and Rowan (1977) and DiMaggio and Powell (1983). In doing so we revisit both adoption
13 and abandonment patterns and limits.

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23 The phenomenological version of institutional theory is not a theory of pragmatic and cynical
24 evaluations and calculations; organizations perceive truly institutionalized practices as social
25 facts and institutional criteria for evaluation are used to be understood as objective reality
26 (Jepperson, 2002). On the other hand, theories of institutional change and, in particular, a theory
27 of deinstitutionalization developed by Christine Oliver in her 1992 paper claim that even highly
28 institutionalized practices and behaviors associated with them can experience a decline of
29 legitimacy, erosion and subsequent abandonment when political, functional and social factors of
30 deinstitutionalization are strong enough and outweigh institutional inertia (Dacin et al., 2002;
31 Greenwood et al., 2002; Lawrence and Suddaby, 2006). In this paper, we argue that although
32 being a milestone and landmark advancement in institutional theory, this is nevertheless an
33 overly optimistic depiction of institutional dynamics in organizational fields and we offer an
34 alternative account that sees organizational fields' evolution as a trend towards ever-increasing
35 institutionalization and isomorphism while deinstitutionalization attempts are getting weaker and
36 are inversely proportional to institutional convergence. The higher is the institutionalization of
37 the field and isomorphic pressures towards convergence and stability, the weaker are the forces
38 of entropy. We argue that deinstitutionalization of truly institutionalized practices cannot occur
39 linearly in a reversal manner – back from institutionalization via bandwagon-like rejection. In
40 contrast to non-institutionalized practices, institutions cannot be subject to reevaluations, doubts
41 and abandonment. Confusing institutions and non-institutionalized although popular practices
42 means confusing institutionalization with diffusion, persistence with temporal persistence and
43 overestimating both the number of institutions and the number of abandonment cases. The
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1 possibility and the scope of deinstitutionalization are therefore much more limited than it is used
2 to be considered.
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6 We offer a solution to the theoretical inconsistency between DiMaggio and Powell's (1983)
7 model of ever increasing institutionalization and isomorphic pressures towards stability and
8 conformity and Oliver's (1992) deinstitutionalization thesis by distinguishing between
9 completely institutionalized practices and currently highly-diffused, optimal but non-
10 institutionalized practices. It is only the later that are subject to the norm of progress
11 (Abrahamson, 1996) which allows abandonment and replacement of existing organizational
12 activities (Oliver, 1992; Green, 2004; Dacin and Dacin, 2008; Dacin et al., 2019). Oliver's
13 theory is thus can be applied to non-institutionalized practices that are subject to reevaluation,
14 abandonment and replacement with new optimal practices while institutions are immutable to
15 these norms of progress. Institutions are immutable to deinstitutionalization and the
16 deinstitutionalization of popular practices is subject to the logic of isomorphic convergence in
17 organizational fields.
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28 Our reassessment of deinstitutionalization prospects culminates in a reinterpretation of
29 isomorphic diffusion from the perspective of abandoning possibilities. A standard institutional
30 account of adoption, diffusion and institutionalization focuses on adoption motivation, remaining
31 silent about abandonment. In particular, Kennedy and Fiss' (2009) matrix of motivations holds
32 for adoption decisions but this logic cannot be applied to abandonment decisions. We revisit a
33 traditional two-stage institutional diffusion model in order to explain the possibility of
34 abandonment for early and later adopters. While recent institutional diffusion studies argued for
35 acknowledging the broader motivation to adopt for both early and later adopters (Kennedy and
36 Fiss, 2009), our framework suggests that during the course of institutionalization abandoning
37 ability decreases and is restricted by institutional pressures. Revisiting the possibilities for
38 deinstitutionalization opens the possibility to predict the likelihood of abandonment during
39 different stages of institutionalization. We argue that while the institutionalization model may
40 not clearly and accurately reflect adopters' motivation (Suddaby and Greenwood, 2009;
41 Suddaby, 2010), this institutional trajectory clearly captures and indicates a gradual decrease in
42 the possibility for abandoning once adopted practice. They may have different and often mixed
43 motivation for adoption, but ever-increasing institutional forces towards isomorphism restrict
44 and reduce their ability for deinstitutionalization at each stage of institutionalization. Neither
45 individual cases of abandonment nor a general deinstitutionalization of certain organizational
46 practice in the field are possible when the field has crossed the threshold of institutionalization as
47 soon as institutional pressures outweigh the forces of entropy. Finally, we locate a notion of
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2 decoupling in this framework, which, at the first sight, seems to contradict with the notion of
3 abandonment/deinstitutionalization.
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10 11 **2. Defining the nature, scope and dimensions of deinstitutionalization**

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14 Diffusion of organizational innovations researchers typically focus on four interrelated
15 questions: 1) how and why efficient innovations diffuse (first stage of DiMaggio and Powell,
16 1983), 2) how and why inefficient innovations diffuse, 3) how and why efficient innovations do
17 not diffuse or disappear over time and 4) how and why inefficient innovations disappear.
18 Institutional theory successfully answered questions 1, 2 and 3, distinguishing between early and
19 later adopters and referring to institutional norms, beliefs and understandings that to some extent
20 substitute rational calculations and drive diffusion and institutionalization. Deinstitutionalization
21 theory aimed at answering the last question, the most puzzling one from the perspective of new
22 institutionalism, namely, how already established and taken-for-granted practices lose their
23 legitimacy and disappear (Becker, 2014). The theory of deinstitutionalization, in fact, has
24 covered both technical and legitimacy crisis that lead organizations to “*challenge, discard or*
25 *abandon legitimated or institutionalized organizational practices*” (1992:564). In this respect,
26 deinstitutionalization has been defined as “*the process by which the legitimacy of an established*
27 *or institutionalized organizational practice erodes or discontinues*” and refers to “*the*
28 *delegitimation of an established organizational practice or procedure as a result of*
29 *organizational challenges to or the failure of organizations to reproduce previously legitimated*
30 *or taken-for-granted organizational actions.*” (Oliver, 1992:564). In her seminal paper, Oliver
31 included both technical and social factors as causes of deinstitutionalization and we would also
32 operationalize both of these dimensions in the present paper. We however offer a more narrow
33 definition of deinstitutionalization as our understanding of this process excludes truly
34 institutionalized practices and instead only non-institutionalized practices are subject to
35 deinstitutionalization. We thus define deinstitutionalization as a reversal diffusion of non-
36 institutionalized practices when adoption rate decreases due to the changes or/and erosion of
37 technical or/and institutional value at the macro-level or/and an abandonment of non-
38 institutionalized practice by a single organization due to the decrease in technical and social
39 value.
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2 This definition does not refer to completely institutionalized practices but implies a rejection of
3 established but not completely socially institutionalized innovations. By referring to
4 institutionalization and deinstitutionalization we assume that any organizational innovation
5 diffuses and evolves simultaneously within two dimensions – technical and institutional
6 (Zbaracki, 1998). Almost any organizational and management innovation emerges as a purely
7 technical solution to some perceived technical problem (irrespective of whether this problem
8 really exists). Diffusion often implies institutional value infusion, that is, the social importance
9 of the practice per se, beyond its technical value. This doesn't preclude that technical value can
10 be completely replaced and disappear, leaving only social value. In this case innovations either
11 become institutions immutable to deinstitutionalization efforts or such innovations are
12 reevaluated, abandoned and replaced by better alternatives if complete institutionalization has
13 not been achieved by that time while organizations are disappointed by the loss of technical
14 value (Abrahamson, 1991; 1996; Abrahamson and Fairchild, 1999). In many typical cases, as
15 Kennedy and Fiss claimed, adopters may be interested in both efficiency and legitimacy as a
16 strategic advantage (Suchman, 1995) at both early and later stages of diffusion. We only want to
17 specify here that Kennedy and Fiss' model can be applied to non-institutionalized practices that
18 do not acquire a taken-for-granted cognitive status. Oliver's deinstitutionalization theory can be
19 deduced from K&F (2009) model since her political, functional and social pressures for
20 deinstitutionalization although inapplicable to institutionalized practices are fully true and valid
21 for those cases where adopters are driven by pragmatic search for legitimacy and efficiency as a
22 strategic resource and when they frame economic and technical advantages and disadvantages as
23 opportunities versus threats (Abrahamson and Rosenkopf, 1993; Kennedy and Fiss, 2009).
24 Summing up, deinstitutionalization is applicable to those practices that are non-institutionalized
25 but have economic and/or social value.
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44 Our conceptualization of deinstitutionalization and our disentangling between institutionalized
45 practices and highly diffused but non-institutionalized practices (Green, 2004) allow escaping an
46 often-cited ambiguity in institutional theory that equates highly diffused practices with
47 institutionalization and abandonment of these practices with deinstitutionalization (Abrahamson
48 and Fairchild, 1999; Green, 2004; Boxenbaum and Jonson, 2008; Greenwood et al., 2008). In
49 most cases highly diffused practices are not institutionalized and DiMaggio and Powell and
50 Meyer and Rowan limit their analysis by focusing only on institutional fields where isomorphic
51 processes are stronger than the competition. Decoupling diffusion and institutionalized taken-for-
52 grantedness allows further explaining why popular practices decline and disappear and why truly
53 institutionalized practices are immune to deinstitutionalization and persist.
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3. Diffusion vs. institutionalization, abandonment vs. deinstitutionalization.

Diffusion, adoption, maintenance and abandonment of organizational practices belong to key topics in organizational and management literature (Abrahamson, 1991; 1996; Kostova, 1999; Mazza and Alvarez, 2000; Sturdy, 2004; Kennedy and Fiss, 2009; Ansari et al., 2010; Dacin et al., 2010; Colyvas and Jonsson, 2011; Rovik, 2011; Siebert et al., 2017; Gidley, 2020). As researchers acknowledge, among hundreds of management ideas, concepts and techniques, few diffuse broadly and become organizational standards (Staw and Epstein, 2000; Green, 2004). Instead, most organizational innovations emerge and disappear, giving way to new innovations (Zucker, 1989; Green, 2004; Abrahamson, 1996; Benders and van Veen, 2001; Aksom, 2021).

There is some sort of ambiguity in institutional literature when diffusion and institutionalization is equated and wide diffusion is taken as an indicator that popular practices, structures and models have become institutionalized (Benders and van Veen, 2001; Colyvas and Jonsson, 2011). First, organizational practices can diffuse widely, being adopted in most companies but at the same time, this diffusion is not associated with institutionalization. That is, they are adopted, probably having some social value but even a high rate of adoption and social benefits from adoption do not signal institutionalization. This wide diffusion doesn't result in institutional persistence. Instead, after some period of time, these practices lose their technical and social advantage and fade away, being abandoned and replaced with new innovative solutions. Second, as management fashion researchers demonstrate, there may be a rapid increase in popularity and media attention but this wide media coverage doesn't result in adoptions (Benders and van Veen, 2001; Rovik, 2011). As such, a pattern of action that has not become taken-for-granted and associated with natural enactment and objective reality (R.Meyer, 2008) is subject to reevaluation and abandonment almost by default as Abrahamson (1996) demonstrated in his management fashion theory.

When diffusion is equated with institutionalization it is possible to talk about deinstitutionalization but in fact, researchers deal with the abandonment of currently optimal practices that are subject to the norms of progress: they are not only open for reevaluation and rejection as they become obsolete but the very logic of institutional criteria of rationality implies that management techniques and practices should be regularly revisited and replaced. By discarding exiting practices and adopting new promising solutions organizations demonstrate their ability to be modern and progressive (Meyer and Rowan, 1977; Meyer, 1983; Mellemvik et al., 1988; Abrahamson, 1996). Oliver (1992) uses and applies the notion of deinstitutionalization

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2 to institutionalized organizational practices but the very nature of institutions suggests that
3 deinstitutionalization cannot be referred to taken-for-granted practices. It is a non-
4 institutionalized practice that can be recognized as either beneficial or unsatisfying in technical
5 and social terms
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10 The absence or, at least rarity, of purely institutionalized states in diffusion life cycles is further
11 evidenced in Kennedy and Fiss's (2009) reexamination of the overly demarcated difference
12 between early and late adopters in Tolbert and Zucker's model of diffusion and
13 institutionalization. This blurring of the difference between social and economic consideration,
14 technical and social values allows assuming that the absolute institutionalization of
15 organizational practices rarely if ever occurs. If during the whole life span of innovation and
16 diffusion trajectory adopters can reevaluate the benefits of adopting and using practices it is
17 premature to talk about institutionalization, deinstitutionalization and institutions. When
18 implementation efforts are related to framing situations as threats or opportunities and
19 motivations to achieve gains or avoid losses, late adopters evaluate technical benefits and later
20 adoption "*is associated with threat framing and motivations to avoid losses, again in both*
21 *economic and social terms*" (2009:898) than institutionalization as a fact-like quality is not
22 achieved and it is impossible to analyze adoption and abandonment as institutionalization and
23 deinstitutionalization. For late adopters of truly institutionalized practices and structures there is
24 no possibility to ever think critically about any benefits or disadvantages of adoption since they
25 treat adoption of these practices as an integral part of the institutionalized mindset.
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38 The difference between diffusion and institutionalization and between up to date optimal
39 practices and truly institutionalized standards opens a space for distinguishing between
40 abandoning and deinstitutionalizing. According to this distinction, Oliver's framework of
41 antecedents of deinstitutionalization is true only for non-institutionalized practices for which
42 ability for reevaluation and rejection still exist and adopters can make these decisions. Diffused
43 but not institutionalized practices are subject to reevaluation, abandonment and replacement with
44 alternatives because, in contrast to institutions, during the whole trajectory of non-
45 institutionalized practices they can be critically evaluated, gamed and manipulated and their
46 benefits in terms of economic or social value can be kept in mind. Boxenbaum and Jonsson
47 (2008:84) distinguished between fully internalized institutions that stand as social facts and
48 institutions as visible limitations. In the first case, institutions are "*taken for granted as*
49 *legitimate, apart from evaluations of their impact on work outcomes*" (Meyer and Rowan,
50 1977:344). This division between institutions can be reformulated as a difference between truly
51 institutionalized practices that achieved complete institutionalization and those that have not
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2 achieved this deep cognitive status. Although these later practices are not institutionalized and do
3 not possess the quality of institutional exteriority, stability and persistence, they nevertheless
4 acquire to some degree institutional value being celebrated not only for their technical value but
5 also for their popularity which fuels and reinforces legitimacy for imitating adoption behavior.
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7 The extent of institutional value is associated with the degree of isomorphic convergence: the
8 more powerful are institutional forces, the more faster and successful is diffusion and the more
9 legitimate this practice becomes. In this respect, diffusion is positively associated with DiMaggio
10 and Powell's (1983) rationalization forces that push organizations towards homogeneity by
11 imitating each other and conforming to norms of institutional order. According to the theory of
12 institutional isomorphism, "*after a certain point in the structuration of an organizational field,*
13 *the aggregate effect of individual change is to lessen the extent of diversity within the field*"
14 (1983:149), that is, stability, inertia and homogeneity prevail over variation and deviation. So in
15 our case, we distinguish between institutional facts and organizational practices that have been
16 infused to some extent with institutional value. After a threshold is reached organizations will be
17 limited in their ability to abandon such popular (although not yet institutionalized) practices.
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29 Although there may be numerous causes of widespread diffusion and high rates of adoption
30 without institutionalization (Boxenbaum and Jonsson, 2008), since we refer to Oliver's notion of
31 deinstitutionalization we assume that widely diffused practice holds some institutional value as a
32 result of diffusion, acceptance and imitation by many organizations. First of all,
33 deinstitutionalization refers to the erosion of legitimacy that accompanies popular practice and in
34 this paper we distinguish not between institutions and those practices that diffuse without
35 institutional reinforcement but between truly institutionalized activities and those that enjoy
36 institutional support and have not yet achieved such a deep cognitive status.
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46 **4. Defining institutions: what institutions are and are not and why they cannot be** 47 **deinstitutionalized** 48

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50 Institutions have two major characteristics. First, they can contain no technical value at all and
51 second, the absence of technical value does not prevent them from being maintained even after
52 technically more preferable alternatives may emerge (Hughes, 1939; Berger and Luckmann,
53 1967; Scott, 1987). Dobbin (1994), for example, referred to the effects of traditions that can
54 explain the persistence of industrial policies even through fundamental and transformative
55 radical changes. In this respect, the most nuanced definition and description of institutions and
56 their distinctive characteristics had been provided by Hughes:
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2 “More commonly the term institution is applied to those features of social life which outlast
3 biological generations or survive drastic social changes that might have been expected to bring
4 them to an end. . . A ceremony may be celebrated by people who no longer know its origin and
5 would repudiate its first meaning if they but knew it. A once technically useful means of
6 achieving some known end persists as an accepted and even sacred practice after better
7 technical devices have been invented” (Hughes, 1939: 283-284).
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13 Given these features of institutions, it is already problematic to even talk about the possibility of
14 being deinstitutionalized in response to some functional dissatisfaction and the loss of technical
15 value. When adopting institutionalized structures and practices organizations do not proceed and
16 evaluate information on these forms, they do not consider threats and opportunities and they do
17 not see benefits or losses in the adoption decision. Instead, they adopt these structures and
18 practices because they unconsciously follow widespread understandings of social reality. In
19 contrast to popular-yet-non-institutionalized practices, organizations adopt and maintain
20 institutions (or better to say, practices and forms that are material reflections of symbolic
21 meanings) not because they cynically calculate risks and opportunities, adopt organizational
22 change superficially and intentionally decouple facades of legitimacy from ongoing activities.
23 Institutionalized practices manifest themselves as general, shared social meanings that are
24 present in organizational and individuals’ life as obvious, taken-for-granted reality. Actors
25 perceive institutionalized practices as objective and external facts (Berger and Luckman,
26 1967:58), as components and parts of “*objective situation*” (Zucker, 1983:2). Popular but non
27 institutionalized organizational practices do not constitute a part of objective reality therefore
28 they are subject to reevaluation and possible abandonment even when these practices didn’t lose
29 their functionality. In contrast, institutions persist and don’t experience those legitimacy crises
30 and the decline in functional utility that non institutionalized practices almost inevitably face at
31 the end of their life cycle.
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47 Organizations do not feel any pressure to conform to institutional demands they are conscious
48 about and they do not consciously evaluate, cynically pretend and manipulate institutional
49 requirements. If they do this means these requirements are not institutional. If organizations
50 deliberately decouple institutional structures from ongoing practices then these structures, as
51 Tolbert and Zucker (1996) noted are not institutionalized, although may have some social value
52 that allows adopters to benefit from its incorporation (Staw and Epstein, 2000; Kennedy and
53 Fiss, 2009). Organizations do not imagine any other alternatives when “choosing” institutions as
54 “*institutionalization simply constructs the way things are and alternatives may be literally*
55 *unthinkable*” (Zucker, 1983:5). In addition, as Zucker (1983; 1987) noted, considering resistance
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2 and deviation from institutions as subject to sanctions and punishment means viewing them as
3 visible obstacles rather than taken-for-granted facts.
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6 Institutions are therefore immune to those dangers typical for non-institutionalized practices. For
7 example, Abrahamson's framework is applicable only to non-institutionalized innovations and
8 his reasons for rejections are irrelevant for institutions as they are not based on pragmatic
9 legitimacy (Suchman, 1995). Organizations do not make choices when they adopt and they do
10 not decide to reject institutionalized practices. The choice of institutions is obvious because
11 organizations do not believe in them or evaluate them as they do in case of popular practices;
12 instead, they "know" they are natural and the only possible option (Berger and Luckman, 1967;
13 Meyer, 1977; Zucker, 1987; Jepperson, 2002). Institutions operate directly at the final stage of
14 diffusion – socialization. The later implies "*the learning of broad collective representations of*
15 *society – pictures of what society is and how it works - and the acceptance of these pictures as*
16 *social facts*" (Jepperson, 2002:232). Meyer and Rowan also described institutionalized practices
17 as "*highly institutionalized and thus in some measure beyond the discretion of any individual*
18 *participant or organization [so that they] must, therefore, be taken for granted as legitimate,*
19 *apart from evaluations of their impact on work outcomes*" (1977:344), therefore, distinguishing
20 them from something that can be measured, calculated, evaluated, doubted, bored with and
21 abandoned.
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37 **5. Popular non-institutionalized organizational practices**

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39 By popular organizational practices we mean management fashions – popular former
40 management innovations that demonstrate a high rate of diffusion and popularity in public
41 discourse (Abrahamson, 1996; Mazza and Alvarez, 2000; Staw and Epstein, 2000; Benders and
42 van Veen, 2001; Aksom, 2021) that contain and offer either economic or social value or both of
43 them in some proportion. As institutional theories would say, an economic criterion is either
44 itself institutionally constructed (Jepperson, 2002) or it cannot be recognized and followed by
45 organizations in institutional environments due to the high level of uncertainty and ambiguity of
46 what constitutes goals and means of achieving these goals. For this purpose, a key word in
47 management fashion theory vocabulary is "belief". Abrahamson intentionally does not
48 distinguish between economic and institutional value in management fashions like early
49 institutionalists did; instead, he maintains that adopting and rejecting for some rational purpose
50 means "believing" that a certain management innovation leads to performance improvement
51 (Abrahamson, 1996). It is a separation between adopting innovation and rejecting innovation due
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2 to the belief in its technical superiority and due to the belief in social value. In both cases
3 economic and social value is a matter of belief but diffusion and institutionalization depends on
4 these institutional beliefs. How than one can distinguish between different stages of diffusion
5 and institutionalization? We argue that the answer is in the possibility to abandon once adopted
6 practices. If we cannot distinguish between different motivations to adopt and abandon, we can
7 at least detect the institutionalization by looking at actors' ability to abandon and here we return
8 to our former aim – to understand the patterns and the scope of abandoning possibilities for
9 institutionalized and non-institutionalized practices. Running ahead, in the last section we will
10 present a framework which specifies the conditions, possibilities and outcomes of abandoning
11 institutionalized and non-institutionalized practices.
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20 For the purpose of understanding the potential and the scope of deinstitutionalization we
21 distinguish between institutionalized and widely diffused but not yet institutionalized practices.
22 In Abrahamson's theories of management fashions (1991; 1996) the focus is shifted from
23 institutions towards non-institutionalized or weakly institutionalized practices. Following Zucker
24 (1988), Abrahamson and Fairchild reacted to the fact that few innovations become institutions
25 while the vast majority of them follow a typical life cycle from the emergence to the wave of
26 popularity, disappearance and replacement by new solutions (Strang et al., 2014)¹. It is a central
27 division we draw on in this study and this distinction will allow us further disentangle and
28 analyze the limits and peculiarities of the abandonment of organizational practices.
29 Deinstitutionalization theory takes a somewhat straightforward and linear approach in an attempt
30 to solve the problem of transience vs. persistence in institutional diffusion lifecycles. Oliver
31 assumes that irrespective of the degree of institutionalization organizational practices can be
32 deinstitutionalized and replaced with new solutions. Abrahamson and Fairchild cautioned against
33 overemphasizing the prevalence of stability of organizational practices and the number of
34 institutions. In order to reconcile institutional stability with the transitory nature of most
35 organization and management concepts institutions and non-institutionalized practices should be
36 distinguished at different stages of diffusion and institutionalization, acknowledging that
37 deinstitutionalization can be applied only to management fashions, that is, those practices that
38 are popular to some extent but have not been yet institutionalized.
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54 We can suggest that Oliver's framework of deinstitutionalization is based on a popular
55 assumption that institutional theory can be applied to all or most widely diffused practices. But it
56 is most likely that Meyer and Rowan never meant and didn't include non-institutionalized
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¹ Irrespective to whether innovations, fashions and institutions have real economic and technical value, they are worth studying and it is essential to understand whether it is possible to abandon them and under what conditions.

1 practices in their theory. Instead, their analysis of institutionalized forms and practices are
2 intentionally and purposefully limited strictly to completely institutionalized practices and these
3 institutions constitute an absolute minority of all ideas and practices that circulate in
4 organizational fields. After all, DiMaggio and Powell limited their attention in the 1983 paper by
5 excluding competitive isomorphism (Beckert, 2010). Moreover, they saw their theory as
6 supplementary to seemingly broader theories of competitive isomorphism and those fields where
7 free and open competition exists (DiMaggio and Powell, 1983:150). Abrahamson and Rosenkopf
8 (1993) distinguished between competitive and institutional bandwagons and noted that both are
9 subject to reversal bandwagons. The latter fact led Abrahamson (1996) to conclude a few years
10 later that change and transience are much more prevalent phenomena than stability,
11 institutionalization and persistence. Zucker summarized these disproportion between
12 institutionalized and non-institutionalized practices noting that “*few innovations are widely*
13 *adopted, by organizations or elsewhere, with most looking more like the social characterization*
14 *of 'fads' than social change*” (1988:26). This is a quintessential observation for management
15 fashion theories which conclude that most organizational concepts come and go, constituting a
16 market of fashionable concepts turnover.

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The most successful organizational practices are those concepts, techniques and systems that are
acknowledged as temporary best solutions to some perceived organizational problems or most
effective means to some technical and economic ends such as performance management and
measurement systems or management control systems. Organizations routinely adopt and
abandon these practices because initially they offer the best possible solution among other
plausible and available alternatives (Abrahamson, 1991). As we examine organizational
practices through the lenses of institutional theory, the key characteristic of their nature, content,
diffusion patterns and adopters' motivation is based on institutionally constructed definitions of
technical and economic efficiency and rationality. We would distinguish between technical
merits and institutional value as do, for example, DiMaggio and Powell, Oliver, Abrahamson,
Zbaracki, Staw and Epstein and most other landmark studies on the interplay between technical-
institutional dimensions. It is acknowledged in institutional literature that it makes no point to
look for brute technical reality as technical and economic criteria may themselves be
institutionally constructed (Jepperson, 2002). Instead, one can capture and follow the difference
between some subjective criteria of technical utility and how social value over time supplants
these technical merits. These two dimensions are used to explain the reasons behind practices'
diffusion adoptions, rejection and disappearance. Both rational and social considerations play a
role during the diffusion trajectory. When institutionalists refer to the reasons for adoption and

1 rejection of efficient and inefficient innovation they mobilize these two institutional
2 constructions in order to distinguish between the ability to rely on internal technical needs and
3 the propensity to be motivated by social influences. When Oliver refers to the lack of functional
4 utility as an explanation for disappointment and deinstitutionalization she distinguishes between
5 rational considerations and legitimacy-based judgments. Whether innovations really have
6 technical and economic value or the benefits they offer are only symbolic signal of progress, the
7 major point is whether potential adopters are able to judge them as beneficial or risky.
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18 **6. Institutionalized practices vs. highly diffused practices**

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20 In the next section, we compare truly institutionalized practices with weakly or non-
21 institutionalized popular practices along different dimensions such as the type of legitimacy,
22 motivation for adoption, the ability for reevaluation and abandonment and adoption outcomes in
23 order to understand their evolution and adopters' behavior. In the end, it will be possible to
24 clearly outline and delineate the scope of institutional explanations of abandonment and
25 deinstitutionalization.
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34 **6.1. The impossibility of reversal institutional trajectory and deinstitutionalization**

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36 The distinction between these two types of states is drawn on the basis of what happens to
37 innovations after their adoption and on the extent of institutionalization. Institutional theory as
38 well as diffusion theory (Rogers, 2003) have been frequently criticized for their lack of attention
39 and explanatory power with regard to the post-adoption period (Zeitz et al., 1999; Sahlin and
40 Wedlin, 2008; Rovik, 2011). Deinstitutionalization theory aims at answering two urgent
41 questions that the former institutional theory has been silent about – what happens after a
42 decision to adopt and how institutionalized practices disappear.
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49 Deinstitutionalization theory assumes that institutional diffusion trajectory, that is, the movement
50 towards complete isomorphism and institutionalization can be simply reversed (Zeitz et al.,
51 1999; Abrahamson and Fairchild, 1999; Green, 2004). In turn, this argument is based on the
52 assumption that diffusion reflects institutionalization: the increase in the number of adoptions
53 signals an increase in the institutionalization and, in the same vein, the decrease in the number of
54 adopters (or increasing number of abandonments) signals decrease in legitimacy and
55 deinstitutionalization. According to Oliver's assumption, if institutional theory explains
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2 widespread diffusion and adoption by referring to ever increasing institutionalization of
3 organizational practices and their increase in legitimacy which organizations value, then the
4 backward direction is equally possible: legitimacy may erode and disappear and the number of
5 adopters decrease, reflecting the reversed institutional trajectory – from institutionalization to
6 deinstitutionalization, from global, widespread acceptance to equally widespread erosion and
7 rejection as these practices do not provide technical and social benefits anymore. However, such
8 reversal movement, while typical for non-institutionalized practices and techniques is impossible
9 for institutionalized practices and forms since they have reached the point where they are
10 immutable to rational consideration and, in contrast, to the former institutional move,
11 organizations cannot anymore critically evaluate and make decisions to adopt or ignore
12 innovations. After institutionalization such practices are taken-for-granted as social facts and
13 independent objective reality. The taken for granted quality of institutions prevents them from
14 being called into question, reevaluated and abandoned.

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16 This model of deinstitutionalization is moreover problematic since Oliver attempted to explain
17 the second stage of diffusion, namely, dissemination and adoptions caused by legitimacy-seeking
18 behavior by referring to the motivation typical only for early adopters during the pre-institutional
19 stage of diffusion. Her deinstitutionalization framework extrapolates early adopters' ability for
20 choice to all adopters after the field institutionalization and isomorphic convergence.
21 Explanation of early adopters' implementation differs substantively from explaining later
22 adopters. Namely, for late adopters *"a threshold is reached beyond which adoption provides
23 legitimacy rather than improves performance"* (DiMaggio and Powell, 1983:148) and practice
24 proliferation cannot be explained anymore by rational considerations and efficiency concerns.
25 Both early and late adopters are subject to the forces that dominate after field institutionalization.
26 Instead, deinstitutionalization theory predicts that institutionalized practices are sensitive to loss
27 of taken-for-granted status and subsequent abandonment when functional and social benefits
28 disappear or weaken:

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*"The perceived worth of an institutional practice, however, is not invulnerable to re-evaluation
or reconsideration in technical terms. Deinstitutionalization may be the consequence of changes
to the perceived utility or technical instrumentality... These changes are predicted to occur when
institutional constituents in the environment withdraw the rewards associated with sustaining an
institutionalized organizational activity; when social and economic criteria of organizational
success begin to conflict significantly with one another; and when the organization experiences
an increase in its technical specificity or goal clarity. These changes may also be tied to
environmental changes, including intensified competition for resources and the emergence of*

1
2 *dissonant information or unexpected events in the environment that directly challenge the*
3 *advisability of sustaining an institutional activity. An institutionalized activity may discontinue*
4 *or decay because its perpetuation is no longer rewarding” (Oliver, 1992:571).*
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8 When Oliver explains deinstitutionalization by arguing that institutionalized practices can be
9 called into question, weaken and erode as a result of failing to offer utility and/or legitimacy she
10 seems to mobilize the explanations that can be applied only to non-institutionalized practices
11 such as management fashions. In fact, the nature of institutions and the logic of their persistence
12 suggest that neither the decline in technical value nor the erosion of legitimacy benefits can fuel
13 the deinstitutionalization of truly institutionalized practices. Institutions would be maintained and
14 celebrated even when these practices, organizational forms and behaviors are useless, non-
15 beneficial, costing in some sense and ridiculously obsolete. Returning to our characteristics of
16 institutions, their two features, namely, ability to persist without functional utility and being
17 independent of any critics of obsolesce allow them to avoid the lifecycle typical for most non-
18 institutionalized practices.
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35 **6.2. Distinguishing sociopolitical (strategic) and cognitive legitimacy in popular practices** 36 **and institutions** 37 38

39 Our division between non-institutionalized and institutionalized practices finds a correspondence
40 with institutional literature on legitimacy (Suchman, 1995; Tost, 2011; Bitektine, 2011; Suddaby
41 et al., 2017). In particular, for non-institutionalized practices legitimacy constitutes an
42 operational resource which they compete for together with efficiency motives. When
43 institutional researchers claim that early and/or later adopters have motivation to appear
44 legitimate they refer to the legitimacy of non-institutionalized practices and structures as
45 organizations do not yet perceive these forms as cognitively taken-for-granted and objective
46 reality. They afraid of losing legitimacy and they aim at gaining it.
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54 In contrast, institutionalized practices are excluded from being evaluated as socially attractive or
55 undesirable: organizations cannot judge them anymore as risk or opportunity (Kennedy and Fiss,
56 2009). “*The instrumental reward is, at most, a peripheral component of the larger cultural*
57 *construct” (Suchman, 1995:576) and usually institutions rest upon cognitive legitimacy without*
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1 any dependence on technical value. Organizations cannot extract legitimacy from
2 institutionalized practice simply because they don't consider this practice through the prism of
3 benefits and this practice cannot lose legitimacy and social attractiveness like non-
4 institutionalized practice does. It is the later that is a subject to the norm of progress and
5 abandonment over time as strategic legitimacy is lost and new practices that signal
6 innovativeness, modernity and progress replace them on the market of management solutions
7 (Abrahamson, 1996).

8 External or socio-political legitimacy (Suchman, 1995) allows organizations to be perceived as a
9 proper and legitimate unit of the system while internal, cognitive legitimacy is about
10 organizations' social reality, how its members understand and perceive institutional reality
11 (Berger and Luckman, 1967). In the first case they can critically scrutinize practices and abandon
12 them while internally legitimate institutions constitute the reality that organizations live in.
13 Institutions manifest themselves through cognitive exteriority and objectivity; other alternatives
14 are unthinkable (Zucker, 1987) and the very possibility for interests and evaluations excluded
15 (Suchman, 1995; Berger and Luckman, 1967). Socio-political legitimacy is typical for popular
16 non-institutionalized practices that are open for evaluation, reassessment and abandonment. It is
17 an external socio-political legitimacy that enables organizations to consider popular practices as
18 beneficial or no longer rewarding in both economic and social terms (Oliver, 1992; Kennedy and
19 Fiss, 2009).

20 These two different dimensions of legitimacy have been confused in deinstitutionalization
21 theory: sociopolitical legitimacy (external) is built and depends upon critical evaluations and by
22 adopting such practices organizations adopt and reject them on the basis of technical efficiency
23 and legitimacy gains. In order to do this, legitimacy must be visible and recognizable. And this
24 feature prevents full institutionalization where sociopolitical legitimacy evolves into cognitive
25 legitimacy and subsequently escapes critical evaluation and reassessment. The first type of
26 legitimacy is typical for management fashions and other transitory practices while cognitive
27 legitimacy is what distinguishes institutionalized practices from non-institutionalized. In the case
28 of truly institutionalized practices organizations do not concern about others' opinion or self-
29 satisfaction with institutions. They do not evaluate, doubt or manipulate in any other way with
30 cognitively legitimate institutions. They don't think about them – they simply know them as
31 objective reality.

32 Again, when researchers refer to strategies and actions that organizations and individuals take in
33 order to manipulate legitimacy, they capture the processes of external legitimacy issues that

1 organizations face with non-institutionalized forms and practices. They gain, maintain, repair
2 and lose legitimacy by adopting, maintaining or abandoning legitimate yet non-institutionalized
3 practices (Oliver, 1992; Suchman, 1995; Abrahamson, 1996; Aksom, 2021). Oliver refers to
4 non-institutionalized practices with socio-political legitimacy-as-resource (Suchman, 1995)
5 when she offered examples of deinstitutionalization caused by the legitimacy crisis. Similarly,
6 studies where socio-political legitimacy manipulations examined deal with non-institutionalized
7 practices and forms.

20 **6.4. Decoupling vs. deinstitutionalization**

21 The problem with the most popular understanding of decoupling as a deliberate manipulation
22 and window-dressing (Meyer and Rowan, 1977) not only contradicts with the ontology of
23 institutional theory (Tolbert and Zucker, 1996; Haack and Schoeneborn, 2015) but the very
24 inconsistency between predictions of decoupling and deinstitutionalization directly follows as a
25 problem that needs to be solved if one aims to maintain both notions. The question that arises is

31 How deinstitutionalization is possible and whether it is needed given that organizational
32 already decouple adopted practices and structures from ongoing activities?

33 Put differently, the notion of decoupling creates the following logical inconsistencies:

- 34 1. If adopting organization intentionally decouples institutional practice from ongoing
35 activities, then this practice has no impact on performance and no need to reevaluate and
36 abandon arises over time. Organizations cannot abandon existing practices due to
37 functional, political and social problems since these factors have no impact on decoupled
38 practice;
- 39 2. Deliberate decoupling cannot be attributed to truly institutionalized practice which should
40 be perceived as fact and “*come to take on a rulelike status in social thought and action*”
41 (Meyer and Rowan, 1977:341). An organizational element that is not practiced is not
42 institutionalized (Tolbert and Zucker, 1996).

43 Institutional literature provides two consequences of post-adoption behavior: organizations either
44 1) enact adopted institutional practices or 2) decouple them from actual activities. In turn,
45 decoupling can be between policy and practice and between means and ends (Bromley and
46 Powell, 2012). It follows that enacted practices cannot be deinstitutionalized while decoupled

1 structures have no impact on social and technical considerations as organizations disintegrate
2 functional utility and social value from the very beginning. Policy-practice decoupling ensures
3 that institutional form has no impact on ongoing activities while means-ends decoupling is
4 unconscious failure to enact adopted practices in a proper way. In the first case, decoupled
5 practices cannot raise “*doubts about the instrumental value of an institutionalized practice*”
6 (1992:571). For truly institutionalized practices, together with abandonment, deliberate and
7 intentional decoupling is impossible because organizations can’t manipulate institutions as they
8 can’t manipulate something they perceive as objective reality. A “*conscious disconnect between*
9 *organizational practice and organizational structure*” (Boxenbaum and Jonsson, 2008:80) is
10 impossible. Here again, we need to distinguish decoupling between adoption and use in terms of
11 realist accounts (Staw and Epstein, 2000) and decoupling as it is conceptualized in Meyer’s
12 writings (Meyer and Rowan, 1977; Meyer et al., 1997). The former type of decoupling has been
13 illustrated by Staw and Epstein (2000) in their analysis of decoupled but legitimacy-conferring
14 practices. Means-ends decoupling is possible for both institutions and fashions as organizations
15 technically can’t implement intended changes or don’t realize that implementation is limited due
16 to the lack of information or misunderstanding (Bromley and Powell, 2012; Malmi, 1997). For
17 example, organizations want deliberately adopt and implement performance measurement
18 systems but fail to understand or lack a detailed scheme and algorithm for design and
19 mobilization. In this case, it cannot be said that organizations intentionally decouple institutional
20 practice from ongoing activities. Similarly, an organization may maintain and even use
21 information processing systems and practice but ignore the information they gather and decouple
22 it from decision-making process (Feldman and March, 1981; Malmi, 1997; Mättö and Sippola,
23 2016). Thus, although it is a kind of decoupling between adoption and use (Li, 2017) it doesn’t
24 signal symbolic benefits in terms of collective approval and demonstrated conformity with
25 institutional norms (although it may provide such value); instead, it is the way organizations
26 reflect “objective” social reality in its structure as they take their “reality and “knowledge” for
27 granted (Berger and Luckman, 1967; Bitektine and Haack, 2015). Education is taken for granted
28 and everybody “knows” that it is the most rational and progressive expression of state policy
29 (Meyer et al., 1997; Meyer, 1977) but most organizations in post soviet area simply cannot
30 implement it in technical terms. Although education models rest on claims of universal
31 applicability and are presumed to be applicable everywhere, Ukrainian, Belarusian or Russian
32 higher education institutions fail to implement and teach according to world standards because,
33 in particular in social sciences universities are constructed from the soviet tradition of total
34 isolation from the global academic community and the absence of research requirements for
35 career promotion (Aksom, 2018). For many post-soviet countries and universities adopting

1 modern education policies means adopting slogans and most of them really perceive these
2 changes as a true implementation of modern effective education policies. For these
3 organizations, there is no decoupling between saying and doing because they do not recognize
4 this disintegration due to their isolation from the global community.
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9 Conscious manipulations with legitimacy and subsequent decoupling or coupling of
10 institutionally valued practices and structures and ongoing activities are possible only when
11 organizations deal with non-institutionalized practices and structures. In this case, decoupling is
12 a means for achieving social benefits from adopting popular practices. When these practices do
13 not provide social value anymore, decoupled practices are abandoned at all: organizations
14 discontinue pragmatic maintenance. At the same time, truly institutionalized practices are either
15 1) cannot be decoupled due to their reality status or 2) they are decoupled unintentionally,
16 without having in mind pragmatic institutional benefits. Institutions cannot be decoupled in a
17 traditional realist sense – only non-institutionalized practices can be. Also as universal and
18 abstract taken-for-granted practices and structures, institutions cannot fit all organizations
19 (Meyer et al., 1997) but non-institutionalized practices can (Ansari et al., 2010).
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29 Meyer and Rowan's theory can be read as a theory of pragmatic manipulation when
30 organizations must consciously adopt structures that they can socially benefit from and reduce
31 risks of non-adopting while pretending to be proper organizations and at the same time
32 decoupling institutional structure and actual practices. But the key to the understanding of their
33 theory may be found in Meyer's 1977 single-authored paper where he clearly referred to the
34 cognitive legitimacy of institutions as social facts. In this respect, M&R1977 refers to the reality
35 that organizations join because they "know" this is the only natural and obvious way. That
36 institutional isomorphism promotes the success and survival of an organization is a consequence
37 that organizations initially do not aim at. When they lag behind this reality they experience
38 losses in legitimacy but this is the process that is not connected to organizational motivation. As
39 individuals are not aware they are victims of propaganda, they are not aware that institutional
40 influence defines and drives their actions and behavior. They perceive social purposes and
41 criteria as technical ones and vice versa, institutions mask social purposes as objective technical
42 criteria².
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54 In this paper, we offer a reconceptualization of decoupling when looking at this phenomenon
55 from the perspective of abandonment efforts. In order to understand this notion more deeply, it is
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59 ² "rationalized and impersonal prescriptions that identify various social purposes as technical ones and specify in a
60 rulelike way the appropriate means to pursue these technical purposes rationally" (Meyer and Rowan, 1977:343).

1 essential to examine it from the standpoint of later adopters who are not satisfied with adopted
2 practice but cannot reject it due to ever-increasing institutional pressures towards conformity
3
4 (DiMaggio and Powell, 1983; Kraatz and Zajac, 1996). Decoupling signals different motivations
5
6 for adoption that occur at different stages of institutionalization. For early adopters decoupling is
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8 a special case of adopting for social benefits (Staw and Epstein, 2000; Kennedy and Fiss, 2009),
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10 for later adopters, it is the only available option when they cannot ignore institutional pressures
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12 to adopt and when they cannot abandon it anymore. The act is similar for both types of adopters
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14 but for early adopters it is a manifestation of voluntary adoption while for later adopters it is a
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16 coerced decision under institutional pressures. When institutional threshold reaches the point
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18 when institutional pressures are stronger than entropy, adopters cannot ignore innovation and
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20 they cannot abandon it once they have adopted it. Therefore the notion of decoupling
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22 experiences different stages of evolution depending on the stage of institutionalization and for
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24 each stage decoupling signals qualitatively different motivation for adoption and ability to adopt
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26 and abandon. While a traditional assumption in institutional and diffusion literature holds that
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28 abandoning a once adopted practice is a matter of learning and subsequent reassessment and
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30 dissatisfaction, institutional theory maintains that institutional pressures prevent organizations
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32 from abandoning institutionally approved practices. Thus while the deinstitutionalization
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34 perspective assumes that organizations would abandon irrelevant practices, we challenge this
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36 optimistic depiction arguing that decoupling is the only compromise available to late adopters.
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38 Finally, for completely institutionalized practice a means-ends decoupling signals unintended
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40 consequences of the inability to implement an abstract solution to the local problem due to
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42 ambiguity (Meyer et al., 1997; Meyer, 2010). Policy-practice decoupling is impossible at this
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44 stage (see Tolbert and Zucker, 1996).
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49 **7. Abandoning popular organizational practices**

50 In order to explore and understand the limits of actors' ability to abandon popular and
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52 institutionally accepted organizational practices it is important to revisit Tolbert and Zucker's
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54 (1983) classical diffusion model from the perspective of abandonment rather than adoption
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56 (Oliver, 1992; Younkin, 2016). For the purpose of this study we focus on what actors cannot do
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58 and why rather than what they can and what is their motivation. In these terms we extend
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60 Oliver's initial question about actors' ability to abandon institutionalized practices by attending
their ability to abandon at each stage of institutionalization. This question is relevant for both

1
2 early and later adopters and for different stages of institutionalization and extents of institutional
3 pressures. The problem of deinstitutionalization, after all, can be solved only in relation to other
4 states of institutionalization and against the whole specter of adopters.
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8 The key conclusion of early institutional studies implies that motivations for adoption shift over
9 time as innovations diffuse and proliferate (Tolbert and Zucker, 1983; Palmer et al., 1993;
10 Abrahamson and Rosenkopf, 1993; Westphal et al., 1997). Early adopters are primarily
11 interested in economic and technical benefits while later adopters are interested in improving
12 their social position in the field irrespective to real internal needs. Modern modifications and
13 extensions claim that both motivations can coexist and they do not exclude each other at any
14 stage of diffusion (Kennedy and Fiss, 2009; Compagni et al., 2015). In contrast, we argue that
15 while the institutionalization model may not clearly and accurately reflect adopters' motivation
16 (Suddaby and Greenwood, 2009; Suddaby, 2010), this institutional trajectory clearly captures
17 and indicates a gradual decrease in the possibility for abandoning once adopted practice. They
18 may have different and often mixed motivation for adoption, but ever-increasing institutional
19 forces towards isomorphism restrict and reduce their ability for deinstitutionalization at each
20 stage of institutionalization. The main implication here for the two-stage diffusion model of
21 institutionalization is that the second stage is not so much about adopters' search for social gains
22 but rather about their inability to deviate and resist institutional pressures. During the early stages
23 of institutionalization, adopters can adopt in a desire to benefit either in terms of economic
24 benefits or social gains (Kennedy and Fiss, 2009). For later adopters, once the threshold is
25 crossed, the motivation shifts from desires and ability to adopt and benefit towards the inability
26 to either ignore widely diffused practices or abandon them despite dissatisfaction during the later
27 stages of institutionalization. In this latter case, the policy-practice decoupling is the only option
28 that remains in response to institutional pressures.
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48 **7.1. The scope, limits and possibilities for abandonment**

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50 In previous sections we have discussed two main arguments of this paper, namely that
51 organizational theorists use to overestimate 1) the number of institutions and 2) the ease of
52 abandoning institutions. But while institutions researchers overestimate their number and
53 underestimate their stability, for non-institutionalized popular practices it is also a tendency to
54 overestimate adopters' ability to abandon them. In order to hypothesize when adopters are more
55 likely to abandon or maintain popular practices we offer a framework where different stages of
56 diffusion, motivation and adoption outcomes are interlinked. Instead of focusing on adoption and
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1
2 diffusion, we analyze a two-stage institutional diffusion model from the perspective of
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4 abandonment prospects.
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6 In this century Staw and Epstein (2000), Kennedy and Fiss (2009) and Compagni, Mele and
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8 Ravasi (2015) have fundamentally revisited the classical two-stage model of institutional
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10 diffusion. For them, legitimacy-seeking behavior does not preclude efficiency motives and
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12 organizations may be interested in both resources in their decisions to adopt, maintain and reject
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14 popular practices. Their models reduce and narrow the scope of the domain of institutional
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16 theory in two important ways. First, they exclude institutionalized practices from their analysis
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18 as adopters in their model can clearly recognize, evaluate and reevaluate institutional factors as if
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20 they could have recognized and judge institutions. Second, as they incorporate such explanations
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22 as learning or dissatisfaction with economic benefits (Greenwood et al., 2008; Boxenbaum and
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24 Jonsson, 2008) they delineate the boundary of institutional explanations as they acknowledge
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26 alternative plausible explanations. In order to find out the patterns in revisited two-stage model
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28 we put a third limitation on institutional explanation by limiting the likelihood of abandoning
29
30 after the threshold has been crossed – an explanation derived from DiMaggio and Powell (1983).

31 The analysis and theoretical explanation of practices abandonment requires reconciling and
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33 integrating three widely acknowledged claims in institutional theory:

- 34 1. Both early and later adopters may be motivated by both economic and social benefits
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36 (Staw and Epstein, 2000; Kennedy and Fiss, 2009) and they can abandon adopted
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38 practice once they are believed to be no more valuable in economic or/and social terms
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40 (Oliver, 1992);
- 41 2. Few organizational practices become institutions (Zucker, 1988) while most practices
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43 routinely emerge and disappear, being replaced by new solutions. As such, organizations
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45 abandon practices when they cannot extract or are dissatisfied with economic and/or
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47 social benefits (Abrahamson, 1996; Kennedy and Fiss, 2009);
- 48 3. Institutions are characterized by their stability and persistence and they do not depend on
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50 any pragmatic benefits and can be evaluated and scrutinized against risks and
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52 opportunities. Organizations take them for granted and even for highly popular but non-
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54 institutionalized practices after some point in isomorphic convergence organizations are
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56 no more able to change contrary to institutional demands and abandon practices with
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58 strong institutional support (DiMaggio and Powell, 1983);

59 When putting these arguments together and building a causal relationship between them we
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would get the following self-contradicting picture of institutional dynamics:

1
2 *Most organizational practices are open for abandonment by both early and later adopters as far*
3 *as these practices lose their economic and/or social attractiveness.*
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6 That is, this thesis violates or at least ignores a two-stage model of institutional diffusion. The
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8 later does not take into account truly institutionalized practices as they are by definition
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10 immutable to any dependence on economic and social consideration as well as it blurs the
11
12 dichotomy for motivation and ability to resist institutional demands for early and later adopters³⁴.
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14 If both early and later adopters can be motivated by the same benefits and avoid same risks it
15
16 becomes unclear what is the role of ever-increased institutional pressures which defined and
17
18 guided the logic of diffusion and institutionalization in the former two-stage model. It is unclear
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20 also what institutional theory predicts at all if these arguments to be accepted.

21 We offer a solution to this problem of two “anything possible” stages in a revised two-stage
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23 model by simultaneously completing our modification of deinstitutionalization framework
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25 (Table 1). Instead of distinguishing between motivation for adoption in Tolbert and Zucker and
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27 DiMaggio and Powell’s model it is argued that their theory rather can help in explaining the
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29 logic and possibility of practices’ abandonment. Below we present a framework where we locate
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31 and causally explain the possibility of abandonment for early and later adopters. While the logic
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33 of “*wanting to look good does not preclude wanting to also do well*” (Kennedy and Fiss,
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35 2009:899) blurs the boundaries between early and later adopters and between emerging practices
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37 and already highly-diffused and institutionally supported fashions, this logic, at the same time,
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39 maintains the possibility to predict the likelihood of abandonment.

40 We divide the traditional two-stage diffusion model in institutional theory into four sub stages,
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42 namely: pre-institutionalized stage, before the institutional threshold, after institutional threshold
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44 and institutionalization. Each stage is qualitatively distinctive in terms of actors’ motivation and
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46 ability to adopt and abandon emerging and popular organizational practices. In particular, this
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48 categorization allows explaining decoupling as a special case of adoption and abandonment
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50 attempts and locates it in institutionalization model according to the extent of institutional
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52 pressures.
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54 ----- Please insert Table 1 here -----
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59 ³ Technically, early adopters are free of any institutional demands while later adopters cannot deviate from them.

60 ⁴ This thesis is also a weak form of Oliver’s (1992) claim about deinstitutionalization as she applied it to institutionalized practices.

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7 **Early adopters.** Oliver's (1992) thesis about the re-evaluation and reassessment of the utility of
8 institutionalized practices and their perpetuation as no longer rewarding can be derived from
9 Kennedy and Fiss' (2009) matrix. Both early and later adopters can find out or "find out" that
10 adopted practice is no longer rewarding in economic and/or social terms and abandon it. In this
11 sense, for early adopters institutional theory undertakes a successful move by incorporating
12 rational economic and information arguments in affecting adoption decisions as a special case of
13 more general and broader institutional theory of diffusion and adoption:
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20 ***Proposition 1.** Early adopters can recognize or believe they recognize the need for economic or*
21 *social benefits a novel practice offers and freely adopt, ignore and abandon this practice*
22 *depending on their evaluation (Predicted by DiMaggio and Powell (1983) and Tolbert and*
23 *Zucker (1983)).*
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28 Therefore, all available options – adoption, ignorance and abandonment – can be mobilized by
29 early adopters. As such, there are no institutional pressures to adopt or abandon imposed on early
30 adopters (DiMaggio and Powell, 1983; Kraatz and Zajac, 1996). This is what 1992
31 deinstitutionalization theory predicts by referring to both social and economic accounts (Ansari
32 et al., 2010) but it is only a part of the story. Oliver's framework is applicable to 1) early
33 adopters and 2) popular but non-institutionalized practices that have not yet reached a threshold
34 of institutionalization. As we have argued earlier, this thesis cannot account for completely
35 institutionalized practices and moreover, this framework cannot be applied to all adopters.
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42 At this early stage it is possible to explain why many emerging innovations fail to diffuse and
43 become institutions by referring to non-institutional explanations. New practices can be
44 evaluated by potential early adopters as non-beneficial in both economic and social terms and
45 thus not worth of adopting (Abrahamson, 1991; Abrahamson and Rosenkopf, 1993).
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50 **Late adopters before the institutional threshold.** We outline another barrier towards
51 deinstitutionalization and abandonment and distinguish two stages and dimensions in later
52 diffusion – before and after the institutional threshold. As such, after the very early stage, when
53 adopters are free to adopt whatever works for them and abandon once adopted practices if they
54 think they don't benefit or experience losses from adoption, there is a second stage, where later
55 adopters face two waves of isomorphic convergence. We called this period a stage before the
56 institutional threshold is reached. Unless the state of institutional isomorphism in the field has
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2 not reached the point of the institutional threshold, already popular organizational practices
3 follow the logic of Abrahamson's norms of progress (1996) which explains the prevalence of
4 turnover and fashion-like trends in management and organizational practices diffusion. This
5 explains why most practices do not reach the point of institutionalization and most of them fade
6 away and disappear before turning into institutions (Zucker, 1988):
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11 **Proposition 2.** *During the period before the institutional threshold most practices would be*
12 *abandoned and replaced as adopters are guided by the norms of progress in their attempt to*
13 *appear modern and progressive.*
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17 This period is typical for most transitory management concepts and ideas described, in particular,
18 in management fashion literature (Abrahamson, 1996; Benders and van Veen, 2001). During this
19 stage, it is more likely for popular organizational practice to be "found" obsolete and being
20 replaced with a new solution that is "at the forefront of management progress" (Abrahamson,
21 1996:263).
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27 Alternatively, together with the norms of progress which have institutional nature and operate on
28 the basis of socially constructed, defined and redefined beliefs and understandings, abandonment
29 can be explained also by such non-institutional factors as organizational learning or pragmatic
30 calculation of benefits and losses. These explanations reduce the scope of institutional domain by
31 operating with exclusively economic explanations. Institutional explanations best articulated in
32 management fashion theory as well as alternative rational, economic-based explanations during
33 this stage predict the ability of adopters to reject even popular innovations and the decline and
34 disappearance of most once-popular ideas and concepts.
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41 Policy-practice decoupling is available for adopters during these early stages of diffusion and
42 institutionalization as adopters see an opportunity in manipulating with societal expectations by
43 decoupling legitimate façade from internal functioning of organization:
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48 **Proposition 3.** *Policy-practice decoupling is an option available to adopters during the early*
49 *stages of diffusion which is considered by adopters as an opportunity to gain social benefits.*
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52 This emphasis on the opportunity which adopters associate with decoupling is important given
53 that we will outline the different motivation for decoupling during later stages of
54 institutionalization.
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58 **After the threshold.** Those practices that survive this turnover forces reach a point when
59 whatever change does occur will be towards greater conformity and homogeneity (DiMaggio
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1 and Powell, 1983; Kraatz and Zajac, 1996). Such practices are not likely to be abandoned
2 although they are not yet institutions. This explanation corresponds with DiMaggio and Powell's
3 predictions of isomorphic forces that prevent deviation. Oliver (1992) distinguished between
4 entropy and inertia as two forces that pull in opposite direction. In our framework the stage after
5 the institutional threshold signals that organizational practices crossed the point where
6 institutional inertia is stronger than entropic processes. This suggests the following proposition:
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13 **Proposition 4.** *After an institutional threshold reaches the point where institutional forces are*
14 *stronger than the forces of entropy and norms of progress, popular practices are not likely to be*
15 *abandoned while institutional forces favor their further proliferation, persistence and*
16 *institutionalization.*
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21 These practices constitute a minority among all organizational ideas, concepts and practices.
22 Most of them over time turn into institutions since institutional forces favor them and prevent
23 them from being abandoned. This is a stage where deinstitutionalization is unlikely to occur and
24 political, functional and social factors do not cause practice reevaluation, disapproval and
25 abandonment by adopters. George et al. (2006) and Kennedy and Fiss' prediction that late
26 adopters can base their decisions to adopt or abandon on the basis of their ability to frame
27 adoption as either threat or opportunity does not hold anymore at this stage of
28 institutionalization. A similar limitation is true for Abrahamson and Rosenkopf's bandwagon
29 pressure to adopt or reject created by the sheer number of adopters or rejecters (1993:491). At
30 this stage of diffusion and institutionalization, only an institutional bandwagon that forces
31 adoptions is found.
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41 Additionally, we locate policy-practice decoupling in this stage of institutionalization. During the
42 earlier stages, organizations can adopt and abandon practices but policy-practice decoupling is
43 essentially a response to pressures that cannot be avoided or resisted. Decoupling, therefore,
44 allows manipulations but it is mobilized only when non-adoption and abandonment are not
45 available anymore. For the earliest stages organizations adopt due to benefits and abandon when
46 they see no opportunity for performance or social improvement. In this case, they decouple
47 policy from internal practices in order to receive social gains (Kennedy and Fiss, 2009) but they
48 are able to discard even this symbolic façade of legitimacy when they think social benefits are no
49 more available. In contrast, during the after-threshold stage they decouple under institutional
50 pressures when they cannot abandon institutionally accepted practice. In this case, decoupling
51 allows conforming to pressure while solving the problem with conflicting needs. At the same
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2 time, policy-practice decoupling is inconsistent with truly institutionalized practices and is
3 unjustified when adoption and abandonment are possible.
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6 For early adopters and late adopters before the threshold decoupling is an opportunity while for
7 later adopters after the institutional threshold decoupling is the compelled decision in order to
8 conform to institutional pressures. The key difference between these two instances of decoupling
9 is that the former is a voluntary decision while for the latter case it is the option undertaken when
10 abandonment is no more possible. In some sense, it is an attempt to reduce the dependence on
11 institutionally required practices in the light of the impossibility to abandon it.
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17 **Proposition 5.** *Policy-practice decoupling is the only available option for those adopters who*
18 *want to abandon once adopted practice but unable to do so due to institutional pressures*
19 *towards conformity.*
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23 At the same time in case of later adopters after the threshold is crossed, policy-practice
24 decoupling signals that practice is not yet institutionalized.
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27 **Institutionalization.** Finally, the last stage excludes the possibilities of abandoning
28 institutionalized practices. Here external legitimacy for evaluation evolves into internal
29 legitimacy and popular practices turn into institutions. While potentially any emerging
30 innovation or idea can become institutions and being considered as proto-institutions, few of
31 them finally reach this stage, surviving the turnover period of management fashions and
32 adopters' ability to reevaluate and abandon once adopted practices. The truly institutionalized
33 practice persists and matures over time being immune from any entropic tendencies towards
34 erosion and discontinuity. Perceiving them as social facts organizations will adopt and maintain
35 institutionalized practices and will not abandon them as no reevaluation and doubts are possible:
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44 **Proposition 6.** *Organizations have no other alternatives but to adopt institutionalized practices*
45 *and they will not abandon them.*
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48 Finally, for the institutionalized practice, policy-practice decoupling is impossible since
49 institutions cannot be reevaluated, doubted and manipulated. Instead, means-ends decoupling can
50 take place as an unintentional consequence of adopters' inability to implement the global
51 standard to their local circumstances (Meyer et al., 1997):
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56 **Proposition 7.** *For truly institutionalized practices neither abandonment nor policy-practice*
57 *decoupling are possible; a means-ends decoupling is possible due to the inability to implement*
58 *global concept in local context or due to misunderstanding.*
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Conclusions.

The aim of this paper was to remove the inconsistency between the former institutional isomorphism theory and deinstitutionalization. Deinstitutionalization theory overestimates both the number of institutions in the total mass of organizational forms and practices and the possibility of abandoning institutionalized practices. Management fashion theory notes that organizational theorists may be at risk of overemphasizing rare instances of stability in institutions. Institutional research traditionally focuses on widespread dissemination, stabilization and persistence of popular ideas and practices while other branches of organizational studies pay attention to the transitory popularity of these concepts and their disappearance. This paper aimed at unifying these two phenomena by revisiting some core notions, ideas and claims in institutional theory from the perspective on abandonment possibilities and conditions.

Similarly to institutions, currently popular practices possess some degree of institutional quality which depends on the extent of isomorphism in the field. But in contrast to institutions, non-institutionalized organizational practices are subject to reevaluation and abandonment. The seemingly temporal and transient nature of management practices applies to those practices that have not reached the point of institutionalization and these practices are subject to deinstitutionalization once their technical and/or social value change or erode. In contrast to institutionalized practices adopters can make decisions with regards to non-institutionalized practices.

Disentangling diffusion and institutionalization and highly diffused practices and institutions allows understanding the difference between persistence and transience (Perkmann and Spicer, 2008), understanding the permanence of *“institutionalized organizational forms and techniques and the rise and fall of uninstitutionalized or weakly institutionalized organizational forms and techniques”* (Abrahamson and Fairchild, 1990:709). We specified the boundaries of institutional theory and deinstitutionalization framework as its special case by demonstrating the limits of deinstitutionalization and its more narrow scope and potential than previously assumed. We respond to the need for more coherent and strict formulation of institutional explanations, avoiding naïve depictions of agency as something that is prevalent and prevailing over structuralism of institutional theory. Any theory loses its explanatory and predictive power if there are no restrictions on it and, as with institutional theory, any new study “reports” a new case where actors depart, ignore, manipulate, resist and escape institutional pressures and freely

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2 adopt and abandon practices. The major challenge we sought to overcome is the inconsistency
3 various developments since Meyer and Rowan and DiMaggio and Powell's papers brought into
4 once coherent and consistent institutional theory. As different explanations of adoption,
5 maintenance and abandonment used to blur, fragment and isolate institutional isomorphism
6 theory, empower actors and restrict institutions, we aimed at restoring the prevalence of
7 institutional forces over actors' interests, power and consciousness (Schneiberg and Clemens,
8 2006; Suddaby, 2010). Responding to the call for explaining the coexistence of institutional
9 persistence and transience in organizational concepts' lifecycles we offer an explanation of these
10 divergent evolutionary trajectories by revisiting all stages of institutional diffusion in a way that
11 puts boundaries on theoretical explanations by specifying what, when and why should be
12 expected within certain conditions and which instances are not likely and impossible at all. To
13 explain change and agency means subordinate and limit their role compared with institutional
14 effects. Moreover, explanations should strive towards simplicity instead of inflating the
15 theoretical apparatus of institutional theory by tinkering artificial ad hoc hypotheses.

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27 The division between institutionalized and non-institutionalized practices reflects the distinction
28 between different types of legitimacy, different post-adoption outcomes that range from
29 acquiesce to decoupling and, after all, different possibilities for abandoning organizational
30 practices. Only truly institutionalized practices leave no alternatives but acquiesce (Zucker,
31 1987). In turn, policy-practice decoupling signals that practice is not institutionalized. Tolbert
32 and Zucker (1996) asked the relevant question when they wondered whether decoupled structure
33 is actually institutionalized. It is not. Policy-practice decoupling is one of the strategies
34 organizations undertake when they are early and later adopters of popular but non-
35 institutionalized practice.

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The framework we have outlined in this paper helps explaining different patterns of diffusion
and institutional trajectories various organizational forms and practices take during the course of
their life cycle. In particular, we explain 1) why most organizational practices do not become
institutions, being abandoned much earlier, 2) why some practices can be easily abandoned while
others survive the turnover period and become immune from abandonment even before complete
institutionalization and 3) why completely institutionalized practices cannot be abandoned.

Studying and understanding deinstitutionalization and abandonment is important in at least one
way: the inability to abandon existing organizational routines has crucial implications for
organizations and their adaptation and evolving prospects. If organizations cannot abandon some
fundamental but obsolete practice means they do not implement new solutions that are

1 incompatible with old routines. It is especially true for those organizational and management
2 innovations which cannot simply be installed at the top of existing solutions but require a space
3 for implementation and abandonment of existing routines.
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8 **Limitations and implications for future research.** There is still not enough volume of studies
9 on institutional factors of practices' abandonment in institutional literature. We therefore
10 acknowledge that more studies are needed in order to further improve both the former
11 deinstitutionalization theory (Oliver, 1992) and our framework. Future research should
12 distinguish between institutions and popular practices and analyze in greater details why and
13 how organizations abandon and replace their existing popular organizational practices and
14 routines.
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Table 1.

| Stages of organizational practices' lifecycles and the extent of diffusion and institutionalization | | Economic/social benefits/losses |
|--|----------------------|--|
| New practices (early adopters) | | Early adopters can freely adopt and abandon practice as they learn from adoption and access whether this practice fit for them (Tolbert and Zucker, 1983; DiMaggio and Powell, 1983; Staw and Epstein, 2000; Kennedy and Fiss, 2009) |
| Highly-diffused but non-institutionalized practices (later adopters) | Before the threshold | Abandonment is likely and predefined by the logic of the norms of progress (Abrahamson, 1996) |
| | After the threshold | Abandonment is not likely due to isomorphic convergence that is stronger than entropy and individual agency |

| | |
|-----------------------------|--|
| Institutionalized practices | Deinstitutionalization is not possible |
|-----------------------------|--|

Table 1. Stages of organizational practices' lifecycles, the extent of diffusion and institutionalization and the possibility of abandoning practices.