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# INSTITUTIONAL LOGICS AND SOCIAL MECHANISMS: A PRAGMATIC MULTILEVEL PERSPECTIVE

## *LÓGICAS INSTITUCIONAIS E MECANISMOS SOCIAIS: UMA PERSPECTIVA PRAGMÁTICA MULTINÍVEL*

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### ABSTRACT

Institutionalists have argued about some different toolkit for addressing the paths of historical change in the different areas of research, including the development of a set of social mechanisms that may help to account for the impact of macro-level changes on the micro or individual level. In recent years institutional research has been focusing on institutional logics as an analytical approach with a higher potential to solve this puzzle. Therefore the main goal of this paper is to open a research stream onto a focus on a methodological approach and analytical tool to study multi-level relationships. For instance, a topic that has been claimed as still in need of more consideration, the understanding of how organizations are influenced by competing logics, and the implications of those logics in terms of practices performed by actors and group identity formation, could be better explored.

**Keywords:** Institutional logics; Social mechanisms; Pragmatism.

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## RESUMO

*Institucionalistas têm defendido a necessidade de um ferramental diferente para abordar as trajetórias da mudança histórica em diferentes áreas de pesquisa. Com o intento de se reportar a essa carência, um conjunto de mecanismos sociais foi desenvolvido para ajudar a explicar o impacto das mudanças de nível macro em nível micro ou individual. Nos últimos anos a pesquisa em teoria institucional tem focado em lógicas institucionais como uma abordagem analítica com grande potencial para resolver esta questão. Portanto, o objetivo principal deste trabalho é propiciar um fluxo de investigação com uma abordagem metodológica e ferramenta analítica adequada para estudar as relações multinível. Assim, mais atenção poderia ser direcionada a um tema que tem sido apontado como ainda pouco explorado, isto é, a compreensão de como as organizações são influenciadas por lógicas concorrentes e as implicações dessas lógicas tanto em termos de práticas realizadas pelos atores quanto em termos da formação de grupos de identidade.*

**Palavras-chave:** Lógicas institucionais; Mecanismos sociais; Pragmatismo.

## 1 INTRODUCTION

The paths of historical change have long been a puzzle in social science (North, 1990) since it has been recognized for advancing knowledge on the impact of macro-level changes on micro or individual level (DAVIS; MARQUIS, 2005). In recent years a new institutionalist approach has been developed: 'institutional logics', which has a high potential to solve this puzzle, or, if not, at least lead to a paradigmatic consensus between institutional approaches to some basic issues.

The first basic step for achieving this is through the agreement between scientists that there is no longer a need to argue about rational versus a-rational decision making, as opposites, so long as it can be assumed that society is an inter-institutional complex system composed of multiple and sometimes contradictory rationalities (FRIEDLAND; ALFORD, 1991). The multiple institutional logics available would thus be responsible for guiding actors toward different practices. In turn, change can be understood as resulting from the systematic exploration of the contradictions at the level of the individual and society. These contradictions can be understood as the causal factors which can lead to change, by bricolage, translation or other mechanisms already at hand and by others which still must be developed. This being said we report to the analytical approach of mechanisms. This approach can be characterized by following four core principles: (1) action, (2) precision, (3) abstraction, (4) reduction (HEDSTRÖM; SWEDBERG, 1998).

The second basic issue is that when we use mechanisms in the institutional approach we use them at different levels. Related to this point is the question 'why it is not easy to explain social events?'. Mechanism-based explanations are linked to the social processes underlying the phenomenon under study that enable establish hypothetical connections between observable events (HEDSTROM; SWEDBERG, 1996). According to this perspective, social mechanisms can be defined as social processes that help provide sociological explanations. They are not deterministic-causal models, but intervening social processes (MCADAM, 2003, DIANI, 2003) that could be understood as partial causal analogies (TILLY, 2001). In this sense, social mechanisms help to deal with locally analyzed phenomenon when considered both the theoretically relevant aspects and empirical evidences (CAMPBELL, 2005, HEDSTROM; SWEDBERG, 1996). As stated by Guarido Filho and Machado-da-Silva (2010, p. 281) "dealing with social mechanisms enhances our understanding of how the relationship arises between the analytical categories under study beyond their description but without any intention of generalizing, in the sense of covering-laws models, since mechanisms do not comprehend deterministic causal models".

A social mechanism can lead to an explanation of general consequence or a set of social events at a lower order of complexity or an aggregation of human relations (GROSS, 2011) which

sometimes tends to make cause X bring about some effect Y (PFEFFER, 1993, DAVIS; MARQUIS, 2005, GROSS, 2011). A pragmatic way of perceiving this sequence or set of social events is argued by Gross (2011, p.364): it is a state of affairs “that may or may not be analytically reducible to the actions of individuals who enact it, may underwrite formal or substantive causal processes, and may be observed, unobserved, or in principle unobservable”. However, to see the relationship of different levels of analysis we have to be able to develop different orders of mechanisms and more importantly link them. If we want to open the black box and show the social cogs and wheels of the internal machinery (DAVIS; MARQUIS, 2005; GROSS, 2011), we have to understand the nature of the link between micro and macro levels. This will be possible only by positing different levels of mechanisms, societal, organizational and individual.

Therefore, the main proposition of the article is to demonstrate how the concept of institutional logics allows comprehending the interaction between different levels of analysis with the use of mechanisms. In organizational studies, mechanism-based explanations have received considerable attention, but when we see even very plausible explanations of the way in which things are produced by mechanisms, we find that we are still in the process of opening up the black box. Understanding institutional logics starts a movement of opening the box even further by connecting in a tridimensional process the higher orders of society (multiple and complex) to individual cognition and identity and consequently to the practice in question. This, however, is possible only through the development of different levels of mechanisms. But, as social scientists we still have to ask, of course, if it is possible in social science to open the black box at all, or whether the closest we can approach is by better understanding our world, as seems possible to the present generation of scientists. In fact, we argue first that the institutional logic concept helps improve institutional analysis and second that we have to develop different levels of mechanisms to be able to analyze the relationships between them.

This study is organized in this introduction and four more sections. In the second section we are focusing in the concept and approach of institutional logic as a different institutional setting. The third and fourth sections relate to the demonstration of how institutional logics can be pragmatic and paradigmatic. Finally, the fifth section concludes this paper with a summary of propositions and implications for future studies.

## 2 THE CONCEPT AND APPROACH OF INSTITUTIONAL LOGICS

Studies of Boltanski e Thevenot (1986[1991]), Fligstein (1991) and DiMaggio (1991) are considered precursors of the approach, even though they haven't made explicit reference to the concept of institutional logic. In accordance with Greenwood, Oliver, Sahlin and Suddaby, (2008), this is reasoned by their contemplation of conflicting aspects in terms of logics of action while enhancing the role of culture in the direction and interpretation of the activities of individuals and organizations. Although the meaning implicit in 'institutional logic' was already in use by some authors from different fields of social science (BOURDIEU, 1977, GREENWOOD; HININGS, 1988), the idea only became significant in the field of institutional studies with the seminal text of Friedland and Alford (1991). In relation to the others, this text was responsible for coining a richer sense to the term with a cultural emphasis. The authors proposed the development of a new approach to society, not deterministic or functionalist.

To this end, Friedland and Alford (1991, p.232) proposed a reconceptualization of the term “institution” as follows: “both supra organizational patterns of activity through which hu-

mans conduct their material life in time and space, and symbolic systems through which they categorize that activity and infuse it with meaning". In this sense, the authors argue that to understand individuals and organizations it would be necessary to place them in a society understood as an interinstitutional system, composed of contradictory and dynamic institutions.

Although Friedland and Alford had already introduced the concept of institutional logic by analyzing the contradiction between the beliefs and practices of capitalism, the bureaucratic state and political democracy (ALFORD; FRIEDLAND, 1985), it was only with their text of 1991 that it drew attention. At that time, however, the concept of homogeneity that came from the theoretical and empirical agenda has stifled the explanatory impulse contained in its assumptions.

Scott (2004) notes that virtually all efforts of this period emphasized convergent change, that is, sought for explanations and evidence for the increasing similarity of organizational structures and processes. The reputation of institutional theory of favoring approaches that explained conformity to a given rule or model can be attributed on the prevailing emphasis on top-down models that rely on generic theoretical assumptions of social influence to base the analysis of evidence. Consequently, contextual effects were disregarded, observing the impact on the aggregate level and thereby variability often went unnoticed.

According to Thornton and Ocasio (2008), the institutional logic approach has something in common with the foundational neo-institutional studies of Meyer and Rowan (1977), Zucker (1977) and DiMaggio and Powell (1983, 1991): a concern with culture and cognition as they influence organizational structures. However, it differs significantly from the emphasis on similarity of organizational structures and processes adopted at that time. The focus moves to the relationship between institutional logics, individuals and organizations, in order to understand variations in the environment, rather than stressing isomorphism and convergent change (THORNTON; OCASIO; LOUNSBURY, 2012).

Starting at the end of the 90's, researchers began to develop institutional logic's conceptual framework and empirically examine it in practice. Also they analyzed that the crucial manifestation of institutional logics is in the social construction of the associated classifications and categories (THORNTON; OCASIO, 2008). Although the concept still needs better definition and analytical support (THORNTON; OCASIO; LOUNSBURY, 2012), in the last ten years, studies of institutional logics have spread, as can be seen in Table 1. In this regard, Thornton and Ocasio (2008) came to regard it as an over-used concept and, as a result, a misunderstood one.

Table 1: Empirical contexts in institutional logic research \*

Research	Context and analytical level	Focus of institutional logic analysis
Haveman and Rao (1997) American Journal of Sociology	Old savings sector/system in the state of California; Macro level.	Change in content of the "theories" (logics) manifested in savings plans- before they accentuated mutual trust and imposition of the economies through bureaucracy and voluntarism. / The organizational form of savings plans.
Thornton and Ocasio (1999) American Journal of Sociology	Higher education academic publishing sector; Macro level	Changes in the political dynamic and positional, relational, and economic factors that determine executive succession over a period that transitions between an editorial logic to market logic. / Rate of executive succession in organizations.
Lounsbury (2002) Academy of Management Journal	Financial sector	The proliferation of professional associations indicate change from a regulatory logic to a market logic in the US financial sector.

Thornton (2002) Academy of Management Journal	Higher education academic publishing sector / Linkage with culture at the sector level and with social routines and structures at the organizational level; Macro level	Changes in the importance of the determinants (professional and market) of strategies for diversification and diversified organizational structure as an effect of the conformity with existing institutional logics (editorial and market) / Rate of companies' diversification.
Rao, Monin and Durand (2003) American Journal of Sociology	Profession of French chefs; Macro level	Transition of the identifying aspects (rhetoric, rules, archetypes, roles and organization of menus) of elite chefs, from classic cooking to <i>nouvelle</i> cuisine, in conformity with transformations in politics, the arts, literature, cinema, theater, etc. that emphasize autonomy, truth, improvisation, economy, simplicity and innovation/ Dyad chefs – restaurant.
Reay and Hinings (2005) Organization Studies	Health care field in Alberta, Canada; Macro level	Changes in the structure and dominant institutional logic in the field indicated by changes in associated systems of beliefs and practices that, for their turn, are shown through the use of new language./Data about actions and perceptions of key organizational actors in relation to changes in the field.
Glynn and Lounsbury (2005) Journal of Management Studies	Atlanta Symphonic Orchestra/Organizational level; Meso level	Tension associated with the mixture of aesthetic logic and market logic by the Atlanta Symphonic Orchestra expressed changes in revisions of performance of music critics.
Thornton; Jones; and Kury (2005) Research in the Sociology of Organizations	Accounting, architecture, and publishing sectors; Macro level	Connection between organizational governance and broad interpretive schemes that revealed the values and beliefs permeating the intentions, aspirations, and proposals that give form to organizational principles and strategy for action in organizations. Changes in the concrete representations of Institutional Logics in the sectors.
Haveman and Rao (2006) American Behavioral Scientist	Savings sector in the state of California; Macro level.	Adaptation events in the savings sector. / Density (number) of events of converting existing forms of savings to similar or dissimilar forms / Mass (size in terms of dollars) savings.
Marquis and Lounsbury (2007) Academy of Management Journal	American banking sector; Macro level	Rate of foundation and mergers of national banks in relation to the creation of community banks in geographic communities. / Year; Geographic communities in the banking sector.
Lounsbury (2007) Academy of Management Journal	Mutual funds in Boston and New York; Macro level	Changes in the mutual fund contract practices with independent money-management companies. With time transitioned from conservative contracts represented by funds in Boston to funds conditioned by Performance Logic in New York.
Binder (2007) Theory and Society	Non-profit organization/Parent community; Meso level	Department of social support services: Departments of housing, support to families and of volunteers.
Meier (2008) Socio-Economic Review	Professional soccer segment in Britain and Germany; Macro level	Predominance of amateur and commercial Institutional Logics in relation to different varieties of capitalism in soccer in the two countries.
Green Jr; Babb; and Alpaslan (2008) Management Communication Quarterly	Institutional field of corporate control; Macro level	Changes in the field of modern corporate control and in the rhetoric of corporate control developed by diverse stakeholders corresponding to the predominance of Institutional Logic of Managerial Capitalism (MC) or Investor Capitalism (IC). Diffusion of acquisitions and defenses against acquisition.

Mars and Lounsbury (2009) Journal of Management Inquiry	Higher education academic research sector; Eco-entrepreneurship in research laboratories at public universities; Meso level	Market logic suggested that the results of research should be rigorously evaluated for commercial value./ Institutional Logic of the public good followed a culture of “donation” in which data, research tools, and academic resources should be shared./ The basis for resistance of distorting market aspects are imbued with principles of market logic.
Sonpar; Handelman; and Dastmalchian (2009) Journal of Business Ethics	Regional rural health organization; Meso level	Substitution of the logic of quality of care for logic based on market efficiency; Restructuring of organizational positions and responsibilities, change in the system of rewarding doctors and implementation of information systems.
Özen and Özen (2009) Organization	Mining sector; Action of the actors (micro), consequences on the sector (meso) and in political structures (macro); Multilevel	Structuration of a field through regulatory change prioritizing interests of a government organization that desired to implant a neo-liberal regime in the country. Multiple units of analysis.
Reay and Hinings (2009) Organizations Studies	Health care field in Alberta, Canada; Macro level	Organizational change in the field: Before there was a dominant logic of doctoral professionalism that supported patient-doctor relationships as a basis for providing services. Afterwards surged a governmental proposal for governance structures aimed at increasing efficiency. Over time, the doctors, government, and regional health authorities became mobilized.
Nigam and Ocasio (2009) Organization Science	Health care field in the USA; Sector of hospital organizations; Macro level	Emergence of health care managerial logic aligned with the transformation of material practices and vocabulary. Incremental process of cognitive change. Articles that reported about a legislative reform event.
Greenwood;Díaz; Li; and Lorente (2010) Organization Science	Spanish manufacturing firms; Macro level	Variation in the disposition of manufacturing firms to abide by laws concerning downsizing the work force.

**Source: Teixeira (2012).** \*Table 1 depicts articles that explicitly refer to the concept of institutional logic in contrast to Table 1 in the essay from Greenwood et al. (2011) that summarizes empirical studies that discuss institutional complexity, irrespective of whether they refer explicitly to “logics.”

Thus, since the essay of Friedland and Alford (1991), the idea of institutional logic has been defined in different ways. To proponents, institutional logic is a symbolic system, ways of ordering experience to make it a set of meaningful events in time and space (FRIEDLAND; ALFORD, 1991). Therefore, for these authors, industry sectors and organizational fields can each have their own logic, since it is considered that they are hierarchical in form and overlap the five central societal institutions of Western capitalism which they present

Thornton and Ocasio (1999, p. 804), in turn, consider that institutional logics are “socially constructed, historical patterns of material practices, assumptions, values, beliefs and rules by which individuals produce and reproduce their material subsistence, organize time and space and provide meaning to their realities”. While all these authors emphasize institutional logics as socially constructed, their historically contingent manifestations also contribute to this construct (WESTPHAL; ZAJAC, 1994, THORNTON 2002, 2004, GREENWOOD et al., 2011).

According to Thornton and Ocasio (1999, 2008), the proposed definition of the concept of logic was based on the work of both Jackall (1988) and Friedland and Alford (1991). They argue that, while the approach of Friedland and Alford (1991) was considered structural and symbolic, that of Jackall (1988) was considered structural and normative. From an integrated perspective

of these two views, Thornton and Ocasio (2008) argue that institutional logics integrate the three complementary dimensions of institutions: structural (coercive), normative and symbolic (cognition). Figure 1 shows the three definitions.

Figure 1: Definitions for the institutional logics concept

Friedland e Alford (1991)	Jackall (1988)	Thornton e Ocasio (2008)
X	Y	X+Y
Set of material practices and symbolic constructions which constitutes the organizing principles of an institutional order and provides the vocabularies of motive and a sense of self to social actors (p.248)	Contingent set of rules, premiums, and sanctions that men and women in a particular context create and re-create in such a way that their behavior and accompanying perspectives are to some extent regularized and predictable (p.112)	The Socially constructed, historical patterns of material practices, assumptions, values, beliefs and rules by which individuals produce and reproduce their material subsistence, organize time and space and provide meaning to their realities (p.101)
(Focus on the symbolic resources and inter-institutional contradictions)	(Focus on the normative dimensions of institutions and intra-institutional contradictions of contemporary forms of organization)	

Source: the authors mentioned.

In this sense, Lounsbury (2007, p.289) states that the concept of institutional logics “generally refers to cultural beliefs and rules that structure cognition and guide decision making in an organizational field”. It is in this way that they can be understood as a guide to the social actions and prescriptions responsible for the cognitive skills of the actors, guiding the interpretation of their experiences and indicating what constitutes the proper way to behave (THORNTON, 2004, GREENWOOD et al, 2011). At the organizational level, Ocasio (1997) proposes that logics can direct the attention of decision makers to defined sets of issues and solutions. Such formulations, in agreement with Thornton (2002), lead to the acceptance that decisions are consistent with institutional logics that reinforce certain identities and organizational strategies.

For strengthening this argument, Thornton (2004, p.13) indicates four mechanisms through which logics influence executives’ decisions of organization adaptation and change:

1. Meaning, appropriateness and legitimacy of various sources of executive power and of strategy and structure.
2. The perception of issues and problems to attend in controlling market forces and rewarding political behavior in organizations.
3. Answers and solutions available and appropriate to control economic forces and political activity in organizations and markets.
4. Decisions about the development and persistence of certain organizational structures, as institutional logics legitimate certain business strategies, but not others.

Reay and Hinings (2009) argue that concepts of institutional fields, change and institutional logics are closely related. Institutional logics would be organizing principles that shape the behavior of participants of the organizational field because they refer to a set of beliefs and practices associated with the content and meaning of key societal institutions. Thus, the authors



argue that the logic provides the formal and informal rules of action, interaction and interpretation that guide decision making and thus make the link between institutions and action.

As has been demonstrated here, the term “institutional logics” is employed to refer to societal orders in describing legitimate practices and values that can be understood by the use of different mechanisms that usually invoke some form of causal agent.

### 3 HOW CAN IT BE PRAGMATIC

The idea of institutional logics is also considered by its proponents as a metatheoretical framework (THORNTON; OCASIO, 2008, THORNTON; OCASIO; LOUNSBURY, 2012), since it holds the potential to analyze the interrelationships between individuals, organizations and institutions, from a social system composed of multiple institutions. In other words, this approach considers that the actors are embedded “in the main institutions of Western society or basic societal orders of family, religion, state, market, professions and corporations”, each of which emanates its own logic, and these have different rationalities (THORNTON; OCASIO; LOUNSBURY, 2012, P. 4).

Thus, according to Thornton and Ocasio (2008), institutional logic’s metatheory has five underlying principles considered providers of insights into further developments and of refinements of perspective: the principles of embedded agency, of society and institutional systems, of material foundations and cultural institutions, of the multiple levels of agencies and of historical contingency.

With the principle of the embedded agency it is meant that, although individuals and organizations can perform action, they are conditioned by the prevailing institutional logics. This principle is considered important for distinguishing the approach of institutional logics from others adopting perspectives based on rational choice, or even deterministic visions of the agent (according to the structure and vision of Parsons, 1956) which separates the institutions in the technical or economic sectors. Thus, the perspective of logic assumes differing forms of constrained autonomy on the part of the individual, the organization and institutional society. Thornton and Ocasio (2008) show, however, that a limitation found in studies of institutional logics suggests that empirical studies tend to emphasize one level of analysis over another, rather than showing the critical effects of treatment between levels.

The second principle of the institutional logic approach allows us to study the heterogeneity of agency and to observe the contradictions between different logics of institutional orders. In other words, society understood as an institutional system allows both non-deterministic investigation and the consideration that “key constructs of organizational analysis as efficiency, rationality, participation and values are not neutral, but are themselves shaped by the logic [of the] institutional system” (THORNTON; OCASIO, 2008, p. 105).

The third principle relates to the role of culture and the use of power in decision making. Thus, by incorporating the symbolic aspect and normative and cultural components, the perspective emphasizes how actors’ behavior results from mandatory appropriateness rather than an instrumental analysis of consequences (MARCH, 1991, MARCH; OLSEN, 1984). In this sense, the approach is different from concepts which focus on the internalization of values and from perspectives with focus exclusively on resource dependence and political interests. Thus, according to Thornton and Ocasio (2008), institutional logics imply a probabilistic view of adherence to dominant norms of behavior, rather than the deterministic view of unbreakable institutional arrangements.

The fourth principle emphasizes the ability of institutional logics to be meta-theoretical, by allowing the development of theories and research across multiple levels of analysis, and also by admitting different explanatory mechanisms, leading to greater precision and theoretical

generalization. However, Thornton and Ocasio (2008, p.106) point out that to “apply [the idea of] institutional logic as meta-theory [it] is critical that the level of analysis in which institutionalization occurs is clearly specified.” With regard to this principle, the authors also consider that many researchers should be more accurate in inferring in their analysis that an interpretive framework or logic at any level of analysis is some kind of institutional logic. Actually, research in this area has been somewhat ambiguous or they don’t bridge the different level of analysis. Thornton and Ocasio (2008, p.106) argue that institutional logics legitimate and provide a sense of ontological security, representing thus more than simple strategies or logics of action.

Finally, the fifth principle of the approach takes for granted the historical contingency of institutional logics. In a way, this principle is consistent with the approach of organizational institutionalism by taking into account the fact that the forces acting on the behavior of individuals and organizations are historically contingent. Thus, the fifth principle stresses the advancement implicated by studies of institutional logics since they move away from ahistorical analyses common in organizational studies. This is emphasized by Vizeu (2010) who doesn’t see the objective of organizational analysis as being to develop universal theories of organizational behavior, but express them in particular contexts defined by a particular historical time and cultural environment.

Indeed, for this set of factors, the institutional logic’s prospect is considered responsible for a major shift in the theory of organizational institutionalism. Furthermore, it has the potential to better integrate institutional research in the social sciences (THORNTON; OCASIO; LOUNSBURY, 2012), for it precisely considers in an integrated manner the many aspects considered by several different disciplines at different levels of analysis. For example, as Lounsbury (2007) mentions, when observed at the organizational level, decision-making and problem solving undertaken by individuals can be understood by their bindings to existing institutional logics. Thus, by leading the actors’ direct attention to some available alternatives in spite of others, the institutional logics are responsible for making possible a shared sense of organization and for the faith that a coherent meaning arises from the decisions taken. As a result, certain existing identities and organizational strategies are enhanced.

Thus, a fundamental assumption of the perspective is that each of these institutional orders in society has different characteristics of a material and cultural kind (FRIEDLAND; ALFORD, 1991) which are also integrated at the micro-level. For example, neither the family nor religion is usually regarded as an institution connected to the economic level, yet they are directly involved in the production, distribution and consumption of goods and services (THORNTON; OCASIO, 2008). In this sense, the approach is also related to the concept of practice and identity.

Thornton, Ocasio and Lounsbury (2012) argue that we have to take two things into consideration to understand the relationship between the concepts of institutional logic, agency and change. The first is that institutional logics and practical issues must be considered in duality. The authors believe that the practices adopted in a particular field are not only reflected from the institutional logics, but are also specific actions which may lead to changes or changes in logic. The second consideration is that the institutional logics are also responsible for the formation of identity, whether individual, collective or organizational.

Practices are considered as sets of activities which have social significance and therefore comprise coherent meaning and stability in a given context. In this sense, from the perspective of institutional logic, the concept of practice can be understood as immersed in social action, which reinforces tacit and situational practice (AMARAL FILHO; MACHADO-DA-SILVA, 2006). As such, the meaning of the great general organizational actions based on reductionist views of reality would lose their meaning and this therefore highlights the need to find how organizational action is effectively practiced.

Institutional logics are responsible for providing a guide to actors in dealing with the forms of action available to them in a given situation. This argument reveals the extent to which institutional logics are responsible for providing identity to individuals and organizational groups (THORNTON; OCASIO; LOUNSBURY, 2012). Thus, identity is an important concept in that it allows actors to understand themselves and their roles and to perceive where their interests lie and thus become responsible for the institutionalization or de-institutionalization of practices (CAMPBELL, 2004).

It should be remembered that the transformation of the individual apart from its manifestation is rooted in social institutional changes (FRIEDLAND; ALFORD, 1991). Thus, factors such as the emergence of the trade counter, the possibility of accumulation of wealth and the emergence of romantic love are responsible for the emergence of the individual as a category, able to rationalize. Thus, the concept of identity is undergoing a cultural transformation which at the same time represents the division of labor. Individuality becomes "institutionally and historically shaped by the emergence of capitalism, the state, democracy, nuclear family and the Christian religion" (FRIEDLAND; ALFORD, 1991, p. 240).

However, the concept of identity is still unclear. Some authors relate to culture, defined as the general system of rules of meaning which coordinate and provide the context for meanings and sensemaking, with identity defined as "who we are in relation to a wider social system" (FIOL; HATCH; GOLDEN-BIDDLE, 1998, p. 56). Similarly, Hatch and Schultz (2002) argue that culture is operationalized at the unconscious level (for instance, in structures), while identity is the deepest connection with cultural elements, operating at a pre-conscious level (and through modalities).

While the prospect of institutional logic suggests that the effects of relatively universal mechanisms are constrained by prevailing institutions (THORNTON; OCASIO, 2008), institutional logics may be responsible for changing identities and identities may also be responsible for changes in logic, as suggested by Thornton, Ocasio and Lounsbury (2012). The authors argue that changes in practices and organizational identities often occur together and that, therefore, a greater understanding of their effects and their mutuality is still needed. The authors also feel that understanding how and how far changes in logics are related to changes in practices and identities requires further empirical investigation and theoretical development.

However, when we understand the relationship between identity and institutional logics, this approach is a practical and useful way of bringing power and cognition together in institutional studies. At this point, Thornton and Ocasio (2008) argue that institutional logics create and shape the relations in which status and power can be obtained, maintained and lost in organizations. The authors also consider that a mechanism by which institutional logics shape the cognition of individuals operates through classification and social categorization. Given the institutionalization of categories, individuals come to take for granted the categories which identify a set of values, practices and even organizations such as the categories of corporate governance, human resources and multidivisional structures. In other words, these categories are socially constructed and shared, but institutionalized; they are not categories which exist naturally.

## 4 HOW AND WHY AS PARADIGMATIC

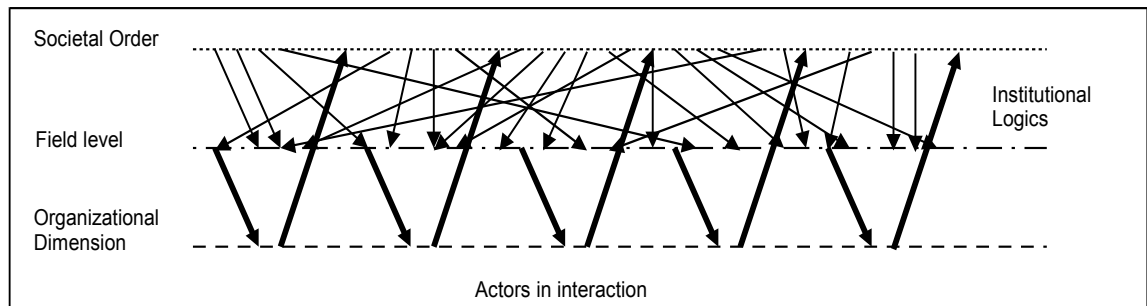
Scientists can "agree on the identification of a paradigm without agreeing on, or even attempting to produce a full interpretation or rationalization of it" (KUHN, 1962, p.44). We consider institutional logic as a paradigmatic approach based on institutional logic as a "universally recognized scientific achievement that for a time provide[s] model problems and solutions to a community of practioners" (p.viii). We argue that institutional logic is the basis on which to

understand how multiple rationalities shape the cognition of actors and we believe in the unification of institutional research as necessary, but like Kuhn, we consider this to last only for a 'time'.

If institutional logic has a dual relationship with practice, pragmatists would concede that practice is a mechanism which shapes individual identity; Gross (2011) argues that social mechanisms are composed of chains or aggregations of actors confronting problem situations and mobilizing more or less habitual responses (p. 368). From an Institutional logic perspective it would be said, however, that these same mechanisms are shaped by different high-order rationalities. Thus, all configurations of institutional logics interact with the pressures of the world, acting in favor of heterogeneity rather than homogeneity, as provided by more traditional models isomorphic.

The institutional theoretical apparatus usually assumes organizational change as a result of external pressures. However, this design, with deterministic emphasis was strongly criticized and this led to a move for a new approach, in which the endogenous change also receives attention. In line with this, topics such as institutional strategy (e.g. Lawrence, 1999) and institutional entrepreneurship (e.g. DiMaggio, 1988; Leca, Battilana, and Boxenbaum, 2008) gained attention and became integrated to the research agenda from organizational institutionalism. Howsoever, this raised a concern among some scholars who tended to view these as problematic with regard to assumptions of embedded agency. Models of change, employed by those perspectives gained support with the development of the institutional logics approach, which conceives both heterogeneity and variability in response to institutional pressures. The multiplicity of orientations, the conflicts and the ambiguity promote more opportunities to the actors than was presumed before and, as a consequence, change implicated in the dynamics of institutional logics doesn't characterize only an exogenous movement, or a purely endogenous tendency, but a co evolutionary process. Social movements supported by institutional logics are the articulators of the pressures for change. Figure 2 outlines, while still in a rudimentary form, the complexity of co evolutionary social processes.

Figure 2: Institutional logics dynamics between levels of analysis.



Source: Teixeira (2012)

The upper line represents the different societal orders or basic institutions identified by Friedland and Alford (1991) or proposed by Thornton (2004), which form Western society. Each one is associated with a distinct institutional logic and, therefore, with their systems of meaning and normative understandings. As Nigan and Ocasio (2010) put it, multiple institutional logics can interact and compete for influence in all institutional domains, albeit they have different weights in institutional fields, in terms of their reference for organizational behavior. While the practices and organizational structures represent tangible manifestations of logics, when combined and configured on a recurring basis, they provide feedback to the social domain.

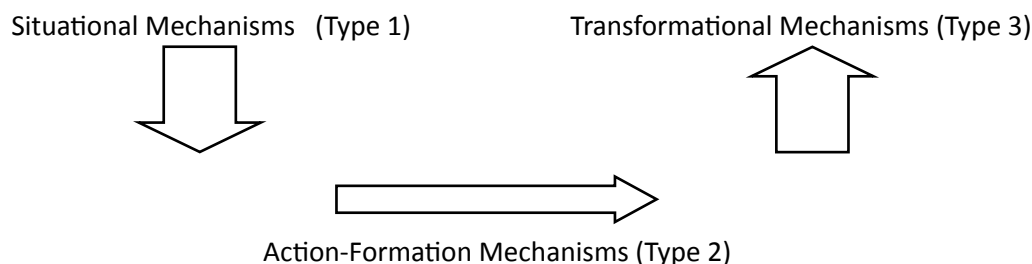
A pragmatist theory of mechanisms would hold that to understand the structure or

process S, we must examine the individual and collective actors A 1 – n involved in the event or variable I-O relationship (how some event or variable I leads to or causes a change in the state of variable or event O). For each, our goal should be to understand why and how, when confronted with a problem situation P<sub>n</sub> (problem 1, 2, 3...) and endowed with habits of cognition and action H<sub>n</sub>, along with other resources, response R<sub>n</sub> becomes the most likely. S should then consist of all the relations A1-n-P1-n-H1-n-R1-n that, in aggregate or sequentially, bring about the I-O relationship (GROSS, 2011).

We propose here different levels of mechanism as a way of understanding a paradigmatic and pragmatist theory of institutional logics. Thus, to understand the structure or process S, we must examine first how multiple institutional order M shapes the cognition C of individual and collective actors in a A 1 – n involved in how some event or variable I leads to or causes a change in the state of variable or event.

The three different types of social mechanisms proposed by Hedstrom and Swedberg (1996) are observed in Figure 3. This model shows how macro states at one point in time influence the behavior of individual actors and how these actions generate new macro states at a different time. That is, the authors propose that, instead of analyzing relationships between phenomena exclusively on the macro level, one should always try to establish how macro-level events or conditions affect the individual (Step 1), how the individuals assimilate the impact of these macro-level events (Step 2), and how a number of individuals, through their actions and interactions, generate macro-level outcomes (Step 3).

Figure 3: A typology of social mechanisms



Source: Hedstrom and Swedberg, 1996 p. 22

Finally, we consider that insights from the social mechanisms theoretical tradition and the institutional logics approach are valuable for organization studies and necessary if we think of understanding “how” and “why” institutions change. Thus, with this essay we intend to direct more efforts towards the development of a research stream with a methodological approach and analytical tool more appropriate to study multi-level relationships.

## 6 CONCLUSION

Here we argue that the institutional logics approach can lead to a paradigmatic consensus because it can help answer some of the questions that institutionalists have raised about “how” and “why” institutions change. The way in which we understand institutions and the process of institutional change has a set of conflicting concepts, assumptions and dissenting voices (SCOTT, 2008). Mahoney and Thelen (2010) claim that the three dominant approaches to institutional theory, sociological institutionalism, the rational choice perspective and historical institutionalism – point to problems in accounting for institutional change. Therefore, with this paper we intend to encour-

age an integrative theoretical conceptualization of institutional perspectives which can predict the conditions under which we can expect either institutional homogenization or heterogeneity. Furthermore, by clarifying the social mechanisms at hand in different levels of analysis, this essay contributes for explanations on the different directions institutional change can take.

The first generation of researchers in the organizational field believed that for the systematic advancement of organizational studies, researches should work toward a paradigmatic consensus (DAVIS; MARQUIS, 2005, Pfeffer, 1993). Pfeffer's idea was that when there is more consensus in a scientific field it is easier to organize and accomplish collaborative research, because there are more resources available. This research had to prove to others that its own theoretical perspective was the best and most successful in articulating the single paradigm (DAVIS; MARQUIS, 2005). However this proved to be a 'fruitless endeavor' (p. 337), which began to be seen as impossible in so fragmented a field as organizational science.

The literature on social mechanisms and mechanism-based explanations rapidly took off, according to Davis and Marquis (2005), when it was agreed that the organizational theorists should shift and re-focus their interests, giving place to problem-driven studies instead of paradigm-driven studies. In the view of Hedstrom and Ylikoski (2010), not only organizational studies, but social science in general has in the last few years used mechanisms in its research, "although that is not an entirely correct description" (p. 50). In this regard, Davis and Marquis (2005) argue that organizational science is going to gain from the creation of mechanisms and empirical studies which promote mechanisms testing as a form of promoting their development.

By demonstrating how the concept of institutional logics allows comprehending the interaction between different levels of analysis with the use of mechanisms we showed how this can be done. The main goal of this paper is to open a research stream onto a focus on a methodological approach and analytical tool to study multi-level relationships. For instance, a topic that has been claimed as still in need of more consideration, the understanding of how organizations are influenced by competing logics, and the implications of those logics in terms of the practices performed by actors and group identity formation, could be better explored.

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