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Author Notes: I thank Chandra and Ramona for their encouraging me to write this and for their skillful editorial suggestions.
With the widespread diffusion and adoption of neo-institutional theory (hereafter NIT) as the default theoretical framework within organizational analysis, some scholars have extended it to encompass entrepreneurial processes. Specifically, people studying *entrepreneurship* have created a new category of actors, called *institutional entrepreneurs* (hereafter IE), along with associated new concepts, such as *embedded autonomy*. A generic definition, following NIT practice, would refer to *institutions* as patterned behavior infused with meaning by normative systems and perpetuated by social exchanges facilitated by shared cognitive understandings (Greenwood et al. 2008). Thus, an *institutional entrepreneur* would be a person who, alone or with others, is credited with helping to transform an institution: introducing new social or cultural forms/logics into the world (typically embodied in organizations).

Organization studies journals now routinely publish papers on IE and special sections of mainstream management journals regularly feature such papers. Some might applaud these developments, arguing that theories of entrepreneurship have finally gained a solid theoretical footing. After all, NIT is one of the most widely used schemes in contemporary organizational studies, providing a powerful analytic framework for understanding the macro- and meso-contexts within which humans must live and work.

At first, I found the concept of IE very appealing, with its iconic portrayal of autonomous and reflexive agents wreaking havoc on established orders as they created new social entities. However, as I looked more closely at the characteristics attributed to these agents and at the cases selected as illustrative, I was reminded that NIT theorists cannot escape thinking like humans. Theorists are as prone to selecting cases based on their visibility and reputation as the rest of us. The turmoil and turbulence characteristic of everyday entrepreneurial activities is simply missing from published accounts of IE. Instead, the concept of IE offers us a world designed by farsighted and clever humans that is as implausible as it is attractive. An understanding of entrepreneurial processes requires that we focus on the emergence of organizations, a level of analysis for which NIT is poorly equipped.

Why haven't analysts taken “emergence” more seriously? Out of the many possible options, let me mention just two. First, most NIT papers on entrepreneurship and organizations have dealt with relatively large units, writing about events that have happened within them or about the things that these large organizations did to other organizations. Institutional constraints in the well-structured fields inhabited by most large organizations make many events rather predictable, and they also make strategic action much easier to study and document. However, when we switch the context to humans acting outside of established organizations, rather than acting in the name of such organizations, it becomes much harder to trace the sources of constraints and their consequences.
In contrast to the strategic actors pictured in much institutional research on organizations, where successful campaigns call for celebration, most entrepreneurial probes end in futility.

Second, fully embracing an evolutionary view of emergent outcomes requires that analysts accept the fact that sometimes things “just happen.” Unfortunately, humans are hardwired to attribute purpose and intentionality to everything they observe, especially when actions have large consequences. As research has repeatedly demonstrated, assuming that structures were built for a purpose is a fundamental attribution error made even by trained observers (Ariely 2009). When people believe that something was designed and built, they often fail to search for exogenous selection forces that might actually have produced it. This problem has bedeviled evolutionary theorists for years and emboldened their opponents, as many people simply refuse to believe that small unintended and incremental changes can have enormous consequences (Dennett 1995). Large complex structures look incontestable and thus are taken for granted. Their mundane origins lie in an unexamined distant past.

Fortunately, the evolutionary approach provides a readily available set of principles for dealing with emergent outcomes such as entrepreneurship and institutional change. Using an evolutionary approach, I recently offered a critique of the IE concept, calling into question its usefulness as an analytic tool (Aldrich 2010). In that paper, I argued that the term distorts our understanding of the capabilities of individual humans and leads to a misallocation of analytic resources. In particular, I suggested that analysts stop using the label IE when talking about people who create organizations. Instead, why not just call them “entrepreneurs”? What can it mean to use the concept of IE in other than a descriptive sense, that is, other than to characterize the humans involved in outcomes in which new social entities have been created?

We should use the concept of institutional entrepreneurship to refer to the collective action of individuals and other entities that transform institutions (Aldrich and Fiol 1994). I would prefer that analysts treat entrepreneurs involved in institutional transformation the same way as they treat other humans, using the same concepts and principles: no heroes, no farsighted visionaries, and no feckless fools. Institutional entrepreneurship is accomplished by entrepreneurs, but through collective action, not omnipotence and clairvoyance. I believe that authors have led us astray by creating this new conceptual category. It is a mistake to broaden concepts and principles originally used to explain the constraining influence of institutional structures to also cover how individual humans generate new institutions. Even as they claim to know better, authors writing about IEs eventually endow them with strategic intentions, foresight, and sophisticated social skills.
Simply put, I believe NIT should not be stretched to cover micro-level entrepreneurial processes. I am quite willing to accept that NIT contributes to our understanding of the context within which humans create new entities (Aldrich and Ruef 2006). My quarrel is with overenthusiastic applications of the concept of IE and not with the value of an institutional approach as such. Rather than create new concepts, I would prefer that theorists turn to other social scientific theories oriented toward evolutionary thinking, especially from social psychology, learning theory, cognitive neuroscience, and behavioral economics, to explain the emergent nature of entrepreneurial phenomena.

Evolutionary theorizing, drawing from the many disciplines paying close attention to a micro level of analysis, posits error prone and myopic humans. They are embedded in organizational contexts limiting their cognitive abilities and their awareness. Individual variation does not *ipsa facto* mean that the individuals are autonomous actors (Meyer 2008). If we are to conceptualize the creation of new social entities as an emergent process, the humans in our models must be more accurately portrayed. For example, nuanced models of entrepreneurial actions can draw on the concepts of habits and social mechanisms to emphasize the power of the status quo (Gross 2009) and also draw on cognitive psychology and behavioral economics to emphasize the everyday occurrence of mistakes, accidents, and random variation (Aldrich and Kenworthy 1999; Ariely 2009).

Even as they claim to know better, authors writing about IEs sooner or later endow them with strategic intentions, prescience, and extraordinary social skills. In a field where a foundational text, March and Simon (1958), posited myopic purposefulness as a condition from which humans saved themselves by constructing organizations, it is odd to read about entrepreneurs who consistently hit their intended targets with such accuracy. A more accurate rendering of the humans in our models will require that we make room for the kind of blundering brilliantly described by March (1971) and Weick (1979). Ordinary humans spending their life savings on luckless ventures may not be the stuff of lead-off articles in journals, but they drive everyday entrepreneurial dynamics. I propose thinking of *institutional entrepreneurship* as a collective process, rather than *institutional entrepreneurs* as heroic figures.
REFERENCES


