

**Causes and consequences of institutional practices in organizations:
routines, trust, and identity**

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The central thrust of my dissertation research is oriented around institutional practices in organizations— i.e., those processes that organizational decision makers take for granted and execute quasi-automatically. My goal is to better understand how such practices emerge and become habitualized over time, how they affect perceptions of the organizational environment, and how they influence organizational success. Specifically, I study institutional practices as they pertain to (1) routines, (2) trust, and (3) identity.

The first paper analyzes the performance consequences of institutional practices in the form of organizational routines in the domains of alliance management and new product development. Building on evolutionary theory (Nelson and Winter 1982) and the behavioral theory of the firm (Cyert and March 1963), these routines can be thought of as the building blocks of organizational capabilities, which have the potential to lead to a competitive advantage. However, the impact of the observed routines across different environmental context is not equally strong. I develop the argument that their effectiveness is highest in “normal” environments but comparatively weaker in both volatile as well as relatively stable contexts, suggesting an inverse U-shaped moderation effect of environmental dynamism on the link between routine-based organizational capabilities and competitive advantage. Longitudinal key informant survey data from 279 firms in the chemicals, machinery, and motor vehicle industries provide strong support for my position.

Paper two is concerned with how institutional practices affect perceptions of other organizations in the field. Specifically, I integrate a calculative and a relational perspective on institutions to better understand the sources of organizational trustworthiness perceptions. Whereas

Summary of dissertation research

the calculative account emphasizes institutional practice in the form of contractual safeguards (Williamson 1993), the relational view focuses on more tacit institutional practices that pertain to organizational culture (Beckert 2009). I argue that—while both perspectives are valid—their relative predictive power strongly depends on two boundary conditions. Using the setting of interfirm alliances and based on dyadic survey data from 171 such alliances, I find that the calculative perspective (represented by contractual safeguards) has higher predictive power when the partner lacks a favorable reputation, whereas the relational perspective (represented by organizational culture) predicts trustworthiness more strongly when familiarity with the partner organization is high. Overall, this study aims to reconcile the too often separated streams of economic and behavioral research by integrating them into a unified framework and determining their respective scope.

Finally, the third paper aims to develop a better understanding of how social cognition affects organizational resistance to institutional pressures. Drawing from identity theory (Stryker and Burke 2000) and neoinstitutional theory (Zucker 1987), this research suggests that group membership (i.e., organizational identity) affects the degree to which organizations imitate others in their field (i.e., mimetic isomorphism). A series of experiments shows that perceiving oneself as part of a larger organizational identity reduces participants' tendency to adopt solutions from competitors. Follow-up experiments that are currently being conducted investigate the moderating role of performance feedback (negative, positive) and the type of organizational identity (normative, utilitarian). The knowledge to be created by the research advances our understanding of micro-level sources of organizational action, brings together the highly complementary but thus far largely separate streams of neoinstitutional and identity research, and informs the emerging research stream of behavioral strategy by shedding new light on the role of cognition for strategic action.

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