INSTITUTIONAL COMPLEXITY AND ORGANIZATIONAL CHANGE: AN OPEN POLITY PERSPECTIVE

DANIEL WAEGER
Wilfrid Laurier University

KLAUS WEBER
Northwestern University

Changing environments often expose organizations to institutional logics that are at odds with other logics that were imprinted into the organizations in the past, giving rise to conflict. We specifically propose that prior institutional environments imprint organizational coalitions and governance systems—the organization’s polity—and that these polity imprints explain variance in organizational change processes in response to new logics. We argue that such polity imprints shape how different organizational groups construe their conflicting interests in relation to new logics, how they mobilize for and against changes emanating from these logics, and how the outcomes of group conflict become stabilized. To develop this argument, we identify four ideal types of organizational polities, based on differences in the centralization of authority and the unity of organizational elites. Each ideal type gives rise to a characteristic pattern of how organizations process the advent of new logics. Our analysis demonstrates the utility of conceptualizing organizations as open polities—political entities that interact with their external environment—and the importance of taking historically imprinted political features of organizations into account in studies of organizational responses to institutional complexity.

Recent years have seen renewed scholarly interest in institutional complexity, which Greenwood, Raynard, Kodeih, Micelotta, and Lounsbury (2011) defined as organizations’ exposure to environments characterized by multiple institutional logics. The interest in institutional complexity reflects the empirical observation that many organizations are exposed to several logics that are at least partly at odds with each other. For instance, profit-oriented companies are also supposed to be socially responsible (Crane, Palazzo, Spence, & Matten, 2014). Health care and medical organizations, long dominated by a logic of conventional medicine and care, face pressure to also incorporate elements from integrated medicine and managed care logics (Heinze & Weber, 2016; Nigam & Ocasio, 2010; Scott, Rüef, Mendel, & Caronna, 2000). And law firms customarily governed by a fiduciary logic are asked to absorb elements from a client-service logic (Smets, Morris, & Greenwood, 2012).

Given the ubiquity of similar examples, in a growing body of research, scholars have investigated organizational adaptations to institutional complexity. Some have focused on characteristics of the institutional field (Chandler, 2014; Greenwood, Diaz, Li, & Lorente, 2010; Lee & Lounsbury, 2015), emphasizing the amount of pressure and the position of organizations in fields as sources of variation in responses (Raffaelli & Glynn, 2014). Others have pointed out that some organizations internalize institutional complexity so that the extent to which institutional complexity is represented inside organizations matters for organizational outcomes (Besharov & Smith, 2014; Pache & Santos, 2010). Here the support of organizational groups for new institutional elements, or their opposition to them, shapes organizational responses (Battilana & Dorado, 2010; Briscoe & Safford, 2008).

This work has begun to unpack the internal politics of organizational adaptation to institutional complexity and has identified a range of adaptation processes. However, this line of research has mostly focused on internal tensions induced by divergent institutional logics present...
in organizations’ current environment and less on how the historically grown political constellation inside organizations shapes the way new logics are dealt with. Accordingly, less attention has been paid to variance in initial conditions created by preexisting organizational arrangements that were imprinted by past institutional environments. Yet these different historical constellations may give rise to varying organizational adaptation processes to new logics independently of the institutional conditions in an organization’s contemporary environment. Only limited research exists about how settled political constellations in organizations influence internal processes for addressing new institutional elements (Becker, 2014; Hinings, Greenwood, & Meyer, 2018).

We draw on the open polity perspective of organization-environment relationships (Weber & Waeger, 2017; Zald, Morrill, & Rao, 2005) to address these points. This perspective conceives of organizations as polities—that is, political entities composed of heterogeneous groups operating in an organizational context with formal and informal power structures (Zald, 1970; see also March, 1962). In this perspective, organizational commitments to new environmental demands flow from the stance internal groups—enabled and constrained by an organization’s power structures—develop vis-à-vis these demands (Weber, Rao, & Thomas, 2009). At the heart of the open polity perspective, thus, is the question of how new external demands interact with the preexisting political constellation that reflects at least in part an imprint of historical logics (Weber & Waeger, 2017). Drawing on classic and recent work in the open polity perspective (Weber & Waeger, 2017; Zald, 1970), we propose two dimensions along which organizations’ political constellations differ: (1) elite unity, which is the extent to which the identities and interests of organizational elites have historically been uniformly grounded in a common institutional logic, and (2) the centralization of authority, which is the extent to which decision-making authority in an organization has historically been centralized. Based on these two dimensions, we develop four ideal types of organizational polities. We then discuss how these polity types represent different initial conditions that shape the processes through which organizations address institutional logics that conflict with other logics that were imprinted into the organization’s political system in the past.

We advance the existing literature in three ways. First, we propose that organizational features instituted in the past affect the way organizations later address new institutional logics that conflict with these features. We thus bring elements of the “old institutionalism,” with its emphasis on imprinting and path dependence (Marquis & Tilcsik, 2013; Selznick, 1949, 1957; Stinchcombe, 1965), to the analysis of institutional complexity, thereby heeding recent calls to study historically evolved features of organizations as important mediators in organization-environment relationships (King, 2015; King, Felin, & Whetten, 2010).

Second, we develop more fully the political dimension of organizational responses to institutional complexity. In recent work scholars have started exploring political dynamics between organizational members and have emphasized several factors that increase the potential for internal conflict over organizational commitments to institutional elements, such as the nature of the opposition between different internalized logics (Pache & Santos, 2010) or the degree to which divergent logics inside organizations are essential to an organization’s functioning (Besharov & Smith, 2014). We add to this research by arguing that a potential for conflict does not automatically translate into actual conflict between groups, and that whether a group engages in contentious action vis-à-vis another group embedded in a divergent logic depends on the constraints and opportunities provided by the political constellation inside organizations to actually engage in such action (Davis & Thompson, 1994; Heinze & Weber, 2016; Kellogg, 2009; Mena & Waeger, 2014).

Third, we develop a framework for an explicitly comparative analysis of institutional complexity, one that acknowledges the diversity of organizations. Most existing theories on how organizations respond to institutional change are derived from empirical research grounded in close observation of particular types of organizations (Bishop & Waring, 2016; Smets & Jarzabkowski, 2013; Wright & Zammuto, 2013). But theorizing about those organizations as a single category of “actors” masks just how different their decision-making processes may be. This diversity in decision-making processes cannot be reduced to the blend of contemporary institutional logics represented within organizations but, rather, requires an understanding of the structural features of power
within organizations. Our theorizing therefore suggests that variations in processes of organizational adaptation to institutional complexity described in past research may reflect not only theoretical differences but also empirical variation in how power is structured in different polity types.

**THEORETICAL BACKGROUND**

Following Thornton and Ocasio (1999: 804), we define institutional logics as the “socially constructed, historical pattern of material practices, assumptions, values, beliefs, and rules” that prescribe and give meaning to social action. Institutional logics provide organizational members with principles and templates that guide day-to-day action. The logics in use in organizations correspond at least partly to historical imprints of past environments (Marquis & Tilcsik, 2013; Stinchcombe, 1965). Yet this historical imprint is challenged when organizations are confronted with new logics that conflict with the ones their members have traditionally embraced and that are enshrined in organizational systems (Greenwood, Raynard, Kodeih, Micelotta, & Lounsbury, 2011). How different types of organizations experience and react to such situations of institutional complexity depends at least in part on their preexisting political configurations. We analyze these configurations with the help of the open polity framework.

**The Open Polity Framework and Institutional Change**

The perspective of organizations as open polities was originally proposed as an extension to social movement scholarship, with scholars seeking to integrate organizational theory with research on movements (Weber et al., 2008; Zald, 1970; Zald et al., 2005). The perspective revives insights of classic organizational theory treating organizations as politics—coalitions with divergent views and interests that operate within a formal authority system (March 1962; Selznick, 1949; for a recent review see Weber & Waeger, 2017). Work in the open polity tradition further argues that boundaries between an organization and its environment are porous so that external changes, such as the emergence of new institutional logics, become imported to varying degrees into the organization’s political system. Organizational responses to institutional change are therefore mediated by political processes within organizations.

Contemporary open polity research casts organizational change as political struggles between internal proponents and opponents of new institutional demands that emanate in an organization’s environment (Kellogg, 2009, 2012; Weber et al., 2009). The political action of coalitions for and against change results from groups’ existing interests and the opportunities and constraints afforded by the organization’s internal political system (Heinze & Weber, 2016; Zald et al., 2005). Applied to the study of institutional complexity, the open polity perspective puts the focus on political mobilization by organizational groups, either in support of a new logic or against it. The actions of these groups depend in part on how a new logic aligns with the logics groups have traditionally been aligned with (Pache & Santos, 2010). But, in addition, the action calculus of organizational groups also takes into account opportunities and constraints of the internal political system and interests arising from competition over dominance between groups. Hence, how groups interpret a new institutional logic, how they define their interests in relation to this new logic, and when and how they take action in relation to it do not only hinge on contemporary institutional environments and external pressures for the integration of new logics. They also depend on the political environment inside organizational polities. Organizational processes of responding to new institutional logics are, thus, path dependent on initial political conditions inside organizations.

**Episodic Change and Institutional Imprinting in Open Polities**

In recent work scholars have studied episodes of organizational change induced by new environmental forces, such as legal changes or movement activism, that encapsulate logics other than those that are dominant in the organizations studied (Kellogg, 2009; Weber et al., 2009). In this work organizational adaptation to environmental forces proceeds in cycles of destabilization, change, and resettlement (e.g., Huising, 2014; Kellogg, 2009, 2012; Weber et al., 2009). The implicit model of change in this research therefore strongly resembles the general episodic change model originally proposed by Lewin (1951).
According to Lewin (1951), episodic change in organizations occurs in three stages: unfreezing, transition, and refreezing. In the unfreezing stage the formerly stable (or "frozen") organizational polity is unsettled, and it is only then that organizational change becomes conceivable.

The Lewinian episodic change model directly applies to organizations that encounter new institutional logics that conflict with other logics imprinted into the organization by past environments. According to the Lewinian model, change is likely to be episodic and infrequent, since institutional imprints occur in limited periods of organizational openness that alternate with periods of stability and settled polities (Romanelli & Tushman, 1994). During stable periods, organizations tend toward stasis around the constellation of institutional logics that were imprinted in the past so the organizations are inert to new demands. For newly emerging institutional logics to result in organizational change, the political constellation in target organizations must thus first be unsettled or unfrozen so that taken-for-granted beliefs, habitual practices, and commitments of elites are called into question (Marquis & Tilcsik, 2013). Unfreezing occurs when organizations are exposed to new institutional logics and when these new logics generate conflict. The generation of conflict encompasses two dimensions: (1) the understanding and interpretation of external logics as relevant for groups inside organizations and (2) the formation of interests by these groups in relation to the new logics. Such interest formation, in turn, is based either on groups’ genuine identification and alignment with new logics or on groups’ instrumental investment in the new logics for political gain. What is important for our argumentation, how groups interpret new logics and how they construe their interests in relation to them is influenced by the political environment inside organizational polities. When different organizational groups diverge in relation to a new institutional logic, the resulting conflict unsettles and destabilizes the existing political constellation and moves organizations toward the transition phase.

In this transition phase the political groups with diverging interests in relation to the new logic mobilize and countermobilize for or against the new logic. Mobilization describes how members of a group engage in political action to dislodge and change an incumbent order (Snow, Soule, & Kriesi, 2004). Countermobilization involves the actions of groups that aim at defending the status quo, including the logics that were imprinted in the past (Kellogg, 2012). In the transition stage the ability of groups to mobilize for newly emerging external logics, or to countermobilize against them, depends on the constraints and opportunities afforded by the political constellation inside the organizational polity (Weber et al., 2009; Zald et al., 2005).

In the last phase—the refreezing phase—the new imprint takes hold and the organization restabilizes. Conflict is either resolved or becomes more latent, and the new arrangements are again reproduced. When organizations refreeze, organizational groups reduce their efforts in pursuit of their goals and reach a renewed settlement so that organizations regain stability. The settlement achieved is influenced by how groups construed their interests in relation to the new logic in the unfreezing stage, as well as by how successfully different groups mobilized in the transition phase. Figure 1 shows a graphic depiction of this general episodic change model in organizations, adapted to our endeavor in this article.

**Types of Organizational Polities and Episodic Change Processes**

As the prior discussion emphasizes, open polity research suggests that organizations’ historically imprinted political constellations shape the process of adaptation to newly emerging elements in the organizations’ institutional environment. Work in the open polity tradition has consistently emphasized two dimensions that describe important differences in the political makeup of organizations (Kellogg, 2012; Weber et al., 2009; Weber & Waeger, 2017; Zald et al., 2005). The first dimension relates to the informal power internal elites exert over the organization (Kriesi, 2004; Tarrow & Tollefson, 1994; Van Der Heijden, 2006). In many cases the informal power of elite groups translates into members of these elite groups also occupying positions at the top of the organizational hierarchy, such as top management teams in companies (Hambrick & Mason, 1984). In other cases, however, this is not the case. For instance, surgeons in hospitals (Kellogg, 2009), professors in universities (Zald et al., 2005), or partners in professional service firms (Faulconbridge & Muzio, 2016) are part of the organizational elite with considerable power, without necessarily occupying authority positions at the top of the
organizational hierarchy. Elite groups possess status and exert power in an organization when they control contingencies critical to the organization’s functioning (Crozier, 1964; Fleming & Spicer, 2014; Truelove & Kellogg, 2016). The extent to which elites are unified or divided into factions varies between organizations (Brockett, 1991; Kriesi, 2004; March 1962). For the purposes of our theorizing this aspect is critical, because whether organizational elites are divided or unified influences their likelihood and ability to mobilize for or against new demands from the institutional environment. For example, Weber et al. (2009) investigated the impact of the antibiotech movement in Germany during the 1980s on German pharmaceutical firms’ decision to invest in biotechnology. They found that those firms whose elites were unified in their support of biotechnology continued investing in the technology, whereas those firms with a more divided elite opted out of such investments. In the latter firms, elite groups in favor of biotechnology mobilized only hesitantly because they apprehended the amount of political capital they would have needed to invest in order to convince elite groups hostile to the technology to change their stance—political capital, nota bene, which they would then lack for other issues. This illustrates how the extent of elites’ unity in their stance toward demands from the institutional environment impacts internal mobilization in support of or in opposition to such demands. Applied to this article, we focus on elite groupings based on identification and alignment with previously imprinted institutional logics (Almandoz, 2014; Oakes, Townley, & Cooper, 1998; Stryker, 2000). Theoretically, this past imprint may manifest either as an alignment of organizational elites with a single logic or as a stable plurality—in the form of different elite groups aligning with different logics—or it may manifest as all elites subscribing to multiple logics. Our theory development below focuses on the first two base cases, where either all elite groups align with a single historical logic or where different elite groups align with different logics. We discuss other forms of elite alignment at the end of the article.

A second dimension emphasized by open polity scholars relates to the formal organizational structure and more specifically to the degree of centralization of authority (Briscoe & Gupta, 2016; Weber et al., 2009; Zald et al., 2005). This dimension reflects whether decision-making authority is concentrated at the top or whether organizational subunits have discretion to make their own decisions without consulting superordinates (Kriesi, 2004; see also Pugh, Hickson, Hinings, & Turner, 1968). To be sure, virtually all organizations have formal, centralized decision-making structures, such as the headquarters in multinational enterprises (MNEs; Ghoshal & Nohria, 1989) or the president’s office in universities (Zald et al., 2005). Yet country-level subsidiaries or academic departments may enjoy far-reaching autonomy and control within their local jurisdictions (Burke, 2005; Kostova & Roth, 2002). Greater decentralization implies a distribution of control and, thus, a more limited organizational capacity for coordinated and comprehensive responses to external changes (Goldstone, 2004; Tarrow & Tollefson, 1994). The centralization of authority influences not only decision-making processes but also control and enforcement (McAdam, 1996). In organizations with highly centralized authority, those at the center can effectively control implementation of organization-level decisions, whereas in decentralized entities such control is much more difficult and depends on

![FIGURE 1](image-url)
the support of local elites in the subunits (Edström & Galbraith, 1977; Terlaak, 2007). In centralized polities, coordinating mobilization across elite groups is therefore much easier to accomplish than it is in decentralized organizations. Consequently, a common position can be more easily found and the implementation of decisions is relatively effective. In decentralized polities, reaching a common stance requires cross-unit mobilization (Kellogg, 2009) and decentralized elites enjoy de facto veto power during implementation (Zald et al., 2005).

Combining the two dimensions allows the construction of four analytic ideal types of organizational polities. We term these four ideal-typical polities unitary, coalition, federation, and fellowship and use them to analyze how differences in initial conditions (in terms of the internal political makeup of organizations) lead to different processes of adaptation to institutional complexity across these polities. The four ideal-types are depicted in Figure 2.

As Figure 2 illustrates, unitary polities are characterized by organizational elites who homogeneously identify with the same institutional logic and that operate within a centralized formal authority structure where jurisdiction for most decisions is allocated to the apex of the organization. Of the four organizational polities, this type is the simplest and most closely resembles the stylized “unitary actor” model of organizations implicit in many theories of organization-environment relationships (e.g., Bonardi, Hillman, & Keim, 2005; Oliver, 1991). Unitary polities can be found, for instance, in companies with few product lines, such as in traditional industrial organizations and utilities, but also in some undiversified pharmaceutical firms or entrepreneurial start-ups. In such organizations, most decisions are made by a relatively homogeneous leadership team that exerts a high degree of direct control over operations.

Organizations with a coalition polity combine a still centralized authority structure with divided organizational elites. In contrast to unitary polities, elites are divided and do not identify with the same institutional logic. Instead, several groups with influence but different institutional alignments share power and must find ways to cooperate. Because formal authority is centralized, those in positions of formal authority have high control over operational practices. In this sense, coalition organizations are akin to coalition governments in parliamentary democracies, where no single political party controls decisions and where parties with different worldviews and policy agendas are required to work together (Persson, Roland, & Tabellini, 2007). The archetypical social enterprise that combines the integration of social welfare and market logics with centralized decision making (Pache & Santos, 2013) provides a good example of a coalition polity, although it should be noted that other hybrids have more decentralized structures (Cooney, 2006; Tracey, Phillips, & Jarvis, 2011) or less divided internal groups (Besharov & Smith, 2014). Other cases of coalition organizations include public-private partnerships, in which elites adhering to a professional-bureaucratic logic share formal decision-making power with elites grounded in a market efficiency logic (Akintoye, Beck, & Hardcastle, 2008; Bishop & Waring, 2016), or joint ventures, in which elites from one sector with its associated institutional logics are joined at the organizational apex by elites from another sector with its own distinct logics (Gong, Shenkar, Luo, & Nyaw, 2007).

The polity of federation organizations is also characterized by a fragmented organizational elite, but within a decentralized authority structure. In contrast to coalition organizations, formal decision-making rights are more widely and evenly distributed and are delegated to semi-autonomous entities, in which local elites exert power relatively independently from other parts of the organization. Of course, formal headquarters exist in federation polities, but their role is generally limited to distant output control rather than proximate behavioral control (Chandler, 1962; Strikwerda & Stoelhorst, 2009; Thornton,
Divisions among members of the organization’s elite can arise because of, for example, divergent professional, ideological, or regional backgrounds and reference groups. Universities and intergovernmental agencies such as the European Union display many features of this ideal type, as does the M-form firm (Chandler, 1962) or the archetypical MNE (Kostova & Roth, 2003).

In fellowship organizations, organizational elites are unified in subscribing to the same institutional logic, but, as with federation polities, fellowship organizations have a decentralized authority structure with comparatively weak headquarters. In such organizations elites act in largely consistent ways in accordance with a specific logic, but they do so autonomously within their separate jurisdictions. Good examples of fellowship organizations include professional service firms (Greenwood & Suddaby, 2006), cooperatives (Schneiberg, 2007), or religious orders (Quattrone, 2015). For instance, in professional service firms, organizational elites have been socialized in the same professional discipline and identify with that community (i.e., financial accounting, law). In terms of structure, they traditionally endorse a partnership model, which is characterized by limited centralized authority and significant autonomy for partners (Faulconbridge & Muzzio, 2016).

UNFREEZING ORGANIZATIONAL POLITIES

Unfreezing in Unitary Polities

In unitary organizations, existing internal elites consensually endorse the institutional logic on which the organization was historically built and are, thus, initially ill-equipped to understand and interpret a new logic unaligned with the traditional one. Unfreezing in unitary polities therefore hinges on the efforts of external constituents to influence organizational elites to consider this new logic. External constituents include regulators (Mäkinen & Kasanen, 2016), rating agencies (Chatterji, Durand, Levine, & Touboul, 2016), mass media (Carberry & King, 2012; Zavyalova, Pfarrer, Reger, & Shapiro, 2012), professionals (DiBenigno & Kellogg, 2014), and social movement activists (de Bakker, den Hond, King, & Weber, 2013).

Pressure by external constituents to incorporate a new logic is a prerequisite, but it does not on its own accomplish the unfreezing of a unitary polity in the sense of increasing the understanding of organizational elites for alternative logics. One reason is that organizational elites can only attend to a limited range of demands from external constituents (Ocasio, 2011) and so have to prioritize external demands (Agle, Mitchell, & Sonnenfeld, 1999). To do so, elites rely on their personal interpretive lenses and frames (Bundy, Shropshire, & Buchholtz, 2013; Kaplan, 2008), which are attached to social or professional identities grounded in the organization’s traditional institutional logics (Thornton, Ocasio, & Lounsbury, 2012). Hence, when external pressures are compatible with the existing logic, elites can readily understand and interpret them...
<table>
<thead>
<tr>
<th></th>
<th>Unitary Polity</th>
<th>Coalition Polity</th>
<th>Federation Polity</th>
<th>Fellowship Polity</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Unfreezing</strong></td>
<td>Unsettling of the existing political constellation in the organization</td>
<td>Translation of new institutional logics into concerns relevant under elites’ traditional institutional logics</td>
<td>Internal conflict resulting from the importation of a new institutional logic that aligns with some internal elite groups but is at odds with other elite groups</td>
<td>Practice drift by part of the organizational elite to meet local demands emanating from new institutional logics</td>
</tr>
<tr>
<td><strong>Transition</strong></td>
<td></td>
<td>Mobilization by external institutional audiences</td>
<td>Mobilization and countermobilization by opposed internal elite</td>
<td>Mobilization for coordinated stance by cross-subunit coalitions in favor of new logic</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Countermobilization by unified internal elite</td>
<td></td>
<td>Countermobilization by elites in semiautonomous subunits opposed to new logic</td>
</tr>
<tr>
<td><strong>Refreezing</strong></td>
<td></td>
<td>Reduction in external pressure through instrumental investment of organizational elites in the new logic</td>
<td>Resettlement of competing groups’ power balance through negotiation</td>
<td>Deactivation of incompatibilities via flexible implementation in local subunits of a broad organization-wide commitment to the new logic</td>
</tr>
</tbody>
</table>
as relevant to their own and their organization’s interests. Conversely, organizational elites in unitary polities are not receptive to external demands that are grounded in a new logic that conflicts with their traditional one because the elites do not possess the value commitments or the interpretive lenses to make sense of that new logic (Bundy et al., 2013; Waldron, Navis, & Fisher, 2013).

External demands based on incompatible logics must therefore be translated into concerns that “make sense” from the vantage point of the logic that organizational elites have traditionally been invested in. Translating external pressure into the interpretive and decision calculus of the organization’s elite, thus, is the central process involved in unfreezing unitary polities. Several factors have been shown to increase the likelihood of such translation efforts. One factor is simply the amount of outside pressure to consider new external elements (Agle et al., 1999; Zadek, 2004). High pressure garners more attention and is seen as a greater threat to the interest of elites to continue their undivided control of a unitary organization. For instance, organizational elites in firms with a strong shareholder value orientation may initially not understand external demands for increased engagement of the firms in social or environmental causes. But they may become concerned with the effect a nonresponse to such demands could have on such criteria as organizational legitimacy, status, or reputation (Waldron et al., 2013), which may, in turn, impact the firms’ ability to generate profits and, thus, value for their shareholders (Zadek, 2004). This negative impact on shareholder value is then readily understandable from the vantage point of the logic that internal elites have traditionally endorsed. What’s more, such a negative impact on shareholder value threatens organizational elites’ position in the organization and so affects not only organizational interests but also their own interests.

As illustrated by this example, unfreezing does not require organizational elites to accept new institutional elements as worthy in their own right. It is sufficient that they come to cast them as concerns that are relevant under the institutional logic they themselves use to interpret external stimuli (Bundy et al., 2013; Crane, Graham, & Himick, 2015). This translation process may be performed by members of the organizational elite under high pressure, but it can also be assisted by external constituents and third parties who frame new demands as relevant to the historically grown institutional commitment of organizational elites (Kelly & Dobbin, 1998; Kennedy & Fiss, 2009).

Unfreezing in Coalition Polities

Contrary to unitary organizations, organizational elites in coalition polities are less unified and are grounded in more varied institutional logics. Such elite fragmentation into diverse factions represents a more precarious power constellation, in the sense that different institutional logics coexist.

While elites in unitary polities are far removed from new logics and, thus, do not possess the interpretive lenses to make sense of them, in heterogeneous coalition polities, with their fragmented elites traditionally grounded in diverse logics, some internal elite factions are likely to have a priori links to a newly arising logic. Because the new logic is relatively similar to the ones these factions have traditionally endorsed, the factions are well-equipped both to make sense of the new logic and to understand how this new logic aligns with their own interests and identities. For instance, their proximity to the new logic may provide them with access to additional resources attached to that logic, which can strengthen their internal standing and power vis-à-vis other elite factions more removed from the new logic. Hence, the alignment of a new logic with elite factions’ preexisting identities makes these factions natural internal advocates for the importation of the new logic into the organizational polity. In contrast to unitary organizations, new institutional elements therefore find internal allies among the organizational elite, constituting a direct pipe through which logics are imported into the organization (King, 2008; Kriesi, 2004). Other factions with no natural link to the new logic will initially not pay attention to them, but because they have access to the organizational apex, they will become instantly aware of it once elements of the new logic are imported into the polity. This awareness will be followed by an understanding that their interests may be negatively affected by this new logic, since it bears the potential of tilting the power balance toward the factions more aligned with the new logic. The importation of a new external logic into the polity thus generates conflict between the different factions of the organization, thereby unfreezing the coalition polity.
Unfreezing in Federation Polities

As with coalition organizations, federation polities are characterized by diverse organizational elites who have traditionally been embedded in different institutional logics. Yet, contrary to coalitions, in federations these elites operate in a decentralized fashion with limited central control. Subunits are governed by the traditional logic endorsed by the dominant local elite group, and this local elite group exerts semiautonomous authority over the subunit, with little input from other parts of the organization or the organizational apex (March 1994). For example, in university hospitals the medical personnel educated under the logic of traditional Western medicine occupy organizational units separate from the personnel educated under the logic of integrative medicine (Heinze & Weber, 2016). And in many MNEs, different elite groups traditionally embedded in the logics of their respective national business systems lead autonomous country-level subsidiaries (Kostova & Zaheer, 1999).

This decentralized nature of federations stands in contrast to coalition polities and gives rise to a different unfreezing process when elites in federations are exposed to a new institutional logic. On the one hand, as with coalition organizations, elites in federations import new institutional elements that align with the logics these elites have traditionally been embedded in. On the other hand, and in contrast to coalitions, such importation does not instantly lead to conflict between the different elite groups and, thus, does not lead to an immediate unfreezing of the internal polity. This is so because, contrary to coalition polities, the different elite groups in federation polities do not operate in the same location. Hence, different elite groups import mutually incompatible institutional elements into the organization. But because these incompatible elements are imported into different parts of the organization, they do not clash with each other. In federations the conflict between incompatible internalized logics is thus latent, rather than manifest, and unfreezing a federation polity occurs only when this conflict is activated and incompatibilities are exposed (Ocasio & Radoynovska, 2016).

Activation of incompatibilities occurs when a new logic requires consistent behavior across subunits (Kim & Davis, 2016; Marquis, Toffel, & Zhou, 2016; Surroca, Tribó, & Zahra, 2013). One reason can be that external audiences formulate their demand toward the federation polity as a whole, rather than toward one of its subunits, or expose inconsistencies within the organization. For instance, institutional audiences in favor of diversity, equal opportunity, and affirmative action promote these principles as universal and therefore expect all parts of an organization to implement them (Zald et al., 2005). When some subunits defend their traditional practices (e.g., hiring practices), federation polities are unfrozen as the inconsistency of practices across subunits becomes manifest (Lee, Plambeck, & Yatsko, 2012).

Activation of incompatibilities also occurs when an institutional logic is transferred from one subunit to other subunits traditionally grounded in a contrasting logic (Kostova, 1999; Värlander, Hinds, Thomason, Pearce, & Altman, 2016). For instance, Heinze and Weber (2016) studied how in academic hospitals institutional intrapreneurs attempted to spread the logic of integrative medicine from their own subunit to other parts of the organization traditionally governed by a traditional Western medicine logic.

In sum, federation polities are unfrozen when the elites in semiautonomous subunits are expected to adopt a consistent stance toward a new logic and the latent conflict resulting from incompatibilities between elites who have been historically grounded in contrasting logics becomes activated as a consequence.

Unfreezing in Fellowship Polities

Fellowship polities are characterized by organizational elites who are unified in the endorsement of a traditional institutional logic. Similar to unitary polities, when organizational elites are exposed to a new institutional logic that does not align well with the traditional one, it is initially difficult for them to understand and interpret it as relevant for themselves and for the organization. In contrast to unitary polities, however, formal power in fellowship polities is decentralized and delegated to semiautonomous subunits in which local elites are relatively free from interference of other elite groups.

While initially inattentive to a new logic that conflicts with the one they have traditionally espoused, elites come to consider such a new logic in their local institutional environment when the continued disregard of this logic starts disrupting elite groups’ ability to perform work tasks
effectively. For instance, Smets and Jarzabkowski (2013) investigated a law firm where semiautonomous groups of lawyers grounded in a fiduciary logic (under which lawyers act in the interest of the public good) encountered clients used to an expertise logic (under which lawyers navigate the law in the interest of their clients). The lawyers’ initial resistance to reinterpreting the law from the vantage point of the clients led to missed transaction deadlines. Clients showed little tolerance for such delays and indicated that, if they continued, the law firm would lose future deals. Under pressure to perform, these semiautonomous lawyer teams reviewed their traditional practices and started drifting toward elements of the alien expertise logic. Here the contamination of a shared traditional logic with new institutional elements is a side product of pragmatic elites scrambling to “get work done” (Smets & Jarzabkowski, 2013: 1301; see also McPherson & Sauder, 2013, and Reay & Hinings, 2009).

Hence, when a new institutional logic arises in their local environments, local elites may find it necessary and—in the absence of central control—possible to drift pragmatically to this new logic as a way of meeting acute local demands. Such local responses, however, put local elites at odds with the institutional logic they themselves have traditionally endorsed (McPherson & Sauder, 2013; Smets & Jarzabkowski, 2013). The conflict that unsettles fellowship polities is thus not so much one that opposes different elite groups endorsing contrasting institutional logics. Rather, it is a conflict that is felt by local elites who are caught between their traditional identity, aligned with the logic historically imprinted into their organization, and their immediate practical interests that have led them to drift toward a new logic that contrasts with their organization’s traditional one.

TRANSITION IN ORGANIZATIONAL POLITIES

In the preceding section we outlined key differences in how the four organizational polities encounter a new logic, resulting in the unfreezing of these polities. We now discuss the implications of such unfrozen polities for how internal transition unfolds, as illustrated in Figure 1. We discuss each polity type in turn.

**Transition in Unitary Polities**

The translation of the new logic in the unfreezing stage has enabled the organizational elite to understand and pay attention to this new logic, but it has not led them to embrace it. Rather, it has led the elite to recognize how the new logic conflicts with the logic the unified elite traditionally endorsed and, thus, gives rise to backlash or rejection of the new logic. In most circumstances the characteristics of unitary polities favor internal elites’ mobilization against a new conflicting logic promoted from outside. The grounding of unitary polities in a shared traditional logic and the high centralization of control are well established as conditions for effective (counter)mobilization (McAdam, 1996; Snow & Benford, 1988; Zald & Ash, 1966). The primary struggle during the transition phase in unitary polities is therefore between intraorganizational elites and external constituents, while there is no or only little internal conflict about the appropriate response.

Unified resistance from inside the organization deprives external proponents of tactics that rely on internal allies. It may also undermine external resolve, since mobilization in political contests is aided by a sense of efficacy—the sentiment that efforts challenging incumbent elites can be successful (Fantasia & Hirsch, 1995; Kellogg, 2009). When opposing a unified organization, proponents find it more difficult to maintain a sense of efficacy and sustain mobilization efforts (Gamson, 1996). Externally induced change of organizations with unitary polities is thus difficult, even when unfreezing has occurred, because the structural conditions in unitary polities generally favor the countermobilization efforts of internal elites over sustained mobilization efforts of external proponents.

However, existing research on organizational opportunity structures suggests that unitary organizations can temporarily become more prone to external input (Briscoe & Gupta, 2016; Zhang & Luo, 2013). For example, the elites of organizations that have performed poorly in recent times or that are under scrutiny for unrelated issues feel vulnerable and see a need to cooperate with a more diverse set of external constituents than they have traditionally cooperated with (Smythe, McNeil, & English, 2015). In this sense, organizational upheaval, crisis, or scandals provide cyclical “windows of opportunity” for external constituents to more effectively mobilize toward unitary polities and gain concessions (Briscoe & Gupta, 2016; King, 2008).
Transition in Coalition Polities

Because change in the institutional environment is brought into the organization by organizational members, mobilization for and countermobilization against organizational adaptation to a new external logic takes place primarily internally, among diverging elite groups. Members of elite groups more aligned with the new logic are in favor of durably anchoring elements from the new institutional logic in the organization, while other less aligned elite groups are opposed. Because of the centralization of power in coalition polities, struggles between these groups play out at the top, and the mobilization and countermobilization of organizational support for divergent positions is relatively unproblematic and strong. One reason is that mobilization follows existing hierarchical control structures so that the mobilization capacity of both groups is high (Kellogg, 2011; see also McCarthy & Zald, 1977).

In addition, the shared identification with a particular logic among members of different elite groups facilitates intragroup agreement regarding the support of or opposition to a new institutional logic (Kellogg, 2011; Polletta & Jasper, 2001; Snow, Rochford, Worden, & Benford, 1986). Compared to less centralized federation and fellowship polities, where mobilization is complicated by the limited reach of elites’ control, struggles around a new institutional logic are therefore often more immediate and intense in coalition polities. And because the conflict is among organizational elites with direct access to organizational practices, rather than with external groups as in the unitary polity, changes are likely to affect the core of the organization as well as peripheral buffering units.

Transition in Federation Polities

The activation and recognition of incompatible logics and, thus, of a need for coordination within the federation polity do not guarantee actual change. In fact, coordinated change in federation polities is difficult to accomplish. The challenge in adapting to a new institutional logic that spans multiple organizational units lies not only in mobilizing a relatively small central elite group to support a new institutional logic but also in forging cross-unit and cross-level alliances among the elites in a large number of different subunits (Kostova, 1999). Such alliances are necessary both for the formulation of organization-wide policies and for the implementation of changes that spread laterally from unit to unit in these decentralized polities. Cross-unit mobilization is challenging in federation polities because it requires elite groups with divergent institutional alignments and separated from each other by formal intraorganizational boundaries to coalesce around a common posture. Social movement scholarship supports the notion that mobilization across organizational levels and units is difficult (Kellogg, 2009; Kostova & Roth, 2003), and even more so when it requires alliance formation among organizational members with heterogeneous identities (Kellogg, 2012), as is the case in federation polities.

Cross-unit mobilization for change is easier under certain circumstances. On the one hand, the closer the institutional logic traditionally endorsed by local elites are to elements from the new logic, the more likely these local elites will mobilize in favor of the new logic in their subunits (Zald et al., 2005). On the other hand, the existence of organizational or personal networks across subunits makes it easier to win over local elites to join the cross-unit coalition in favor of the new logic. For instance, the different elite groups in the university hospitals that Heinze and Weber (2016) studied were both grounded in very different institutional logics (integrative medicine versus traditional Western medicine) and organized in separate organizational subunits. However, these different elite groups were also both part of university hospitals, with a shared appreciation for learning and advancing knowledge. This organization-wide appreciation was exploited by elites in the integrative medicine unit when they endeavored to mobilize support for the integrative medicine logic beyond their subunit. They chose preexisting cross-unit venues and routines for learning (such as brownbag seminars or medical grand rounds) to allow for cross-unit exchanges, thereby fostering support for their logic in other parts of the organization.

More generally, decentralized lateral influence and learning processes are more critical to cross-unit mobilization than is hierarchical power or coordinated negotiation during the transition stage in federation polities. Hence, even when elites at the top of the formal organizational hierarchy attempt to move the organization toward consistency by establishing learning devices,
such as best practice guidelines or policies related to new logics, they at the same time delegate the question of how to implement these policies and guidelines to the local elites in the subunits. This suggests, for example, that the network position and social capital of the promoters of change in the local subunits influence the extent of local mobilization in support of a new logic.

While cross-unit mobilization in favor of a new logic thus remains difficult, the structural characteristics of federation polities facilitate resistance and countermobilization processes. For example, countermobilization in local subunits is less dependent on cross-level exchanges because local groups can rely on their autonomy to resist organization-wide initiatives during implementation (Crilly, Zollo, & Hansen, 2012). The more dissimilar a new logic is to the traditional logic of the elites in a local subunit, the more likely these local elites will resist and countermobilize against the new logic (Zald et al., 2005). And the fewer links there are between a local unit and other parts of the organization, the less frequent will be contacts between members of the local elite and advocates of the new logic from other units, thereby decreasing the opportunities for local elites to become drawn into the cross-unit alliance in favor of the new logic (Kellogg, 2009, 2012).

Transition in Fellowship Polities

In fellowship polities drifting elite groups are caught between their traditional allegiance with the logic historically imprinted into their organization and the new conflicting logic they have started drifting toward. The elite groups do not have a natural affinity with the new logic but may simply need to comply with elements of that logic in order to accomplish critical tasks in their local environment. Given such local pressure, drifting elite groups have an interest in mobilizing in favor of elements from the new logic, but their traditional allegiance encourages them to do so in a way that is mindful of the logic historically imprinted into their organization.

The decentralized nature of fellowship polities provides these drifting elites with discretion akin to the “free spaces” shown to be important for early stages of mobilization for change (Heinze & Weber, 2016: 164). Free spaces are arenas in which change agents can experiment and improvise with new institutional elements, without having to fear interference and surveillance from defenders of the status quo (Fantasia, 1989; Kellogg, 2009; Rao & Dutta, 2012). Given this space, drifting elites can increase their reflexivity and thereby get an understanding of their traditional logics “in relation, rather than in opposition” to the new logic (Smets & Jarzabkowski, 2013: 1292). Motivated to find ways to accommodate new and traditional logics, drifting elites thereby gain a sense of what is possible and what is not and how they can articulate solutions to work around and with the inherent tensions between traditional and new logics (Goodrick & Reay, 2016; Smets, Jarzabkowski, Burke, & Spee, 2015). Such articulation of a proposed solution—known as prognostic framing in social movement studies (Snow & Benford, 1988)—allows drifting elites to develop an effective argumentative arsenal to justify the already accomplished fact of bringing elements from the new logic into the organization (Kellogg, 2009). At the same time, prognostic framing results in “consensus mobilization” (Benford & Snow, 2000: 615; see also Klandermans, 1984)—the fostering of agreement around the proposed solution—among the organizational members in the local subunit, thereby further strengthening the local position of drifting elites.

In contrast, countermobilization against the new logic is difficult at the outset because non-drifting elites are initially unaware of the new practices the drifting elites have started engaging in. Because of the decentralized structure of fellowship polities, the precise nature of local elites’ practices and activities remains opaque to other parts of the organization (Huising, 2014). When practices are opaque, they are not easily made sense of (Rao & Dutta, 2012) and are therefore difficult to countermobilize against (Briscoe & Murphy, 2012; Ingram, Yue, & Rao, 2010; Kellogg, 2012).

It will thus take time for nondrifting elites to become aware of the inconsistent practices drifting elite groups in other subunits are engaging in, resulting in only belated countermobilization against these inconsistent practices. And when such belated countermobilization finally occurs, the drifting elite groups are in a good position to defend their practices grounded in the new logic, since they began mobilizing earlier and had time to develop an effective argumentative arsenal to defend these practices in a way that is mindful of their organizations’ traditional logic. Such early mobilization advantage, in turn, is often decisive.
in the struggles between mobilizing and countermobilizing groups (see, for instance, Zald & McCarthy, 1987).

REFREEZING ORGANIZATIONAL POLITIES

In this section we discuss how the mobilization and countermobilization of political groups in the transition phase shape the process leading to organizations’ refreezing in light of their exposure to a new institutional logic. Again, the arguments we present in this section are summarized in Table 1, and we discuss the refreezing process for each polity type in turn.

Refreezing in Unitary Polities

Because in unitary polities the importation of a new logic occurs predominantly through translation of new demands into organizational elites’ traditional logic, organizational changes initiated in the transition phase are not automatically retained. Unless stabilized, they are vulnerable to being retracted or to being lost because of their incompatibility with the traditional logic. Refreezing in unitary polities must take place in the absence of organizational elites’ truly accepting and endorsing a new institutional logic. Instead, stabilizing the importation of a new logic requires that elites become invested in the new logic on the basis of instrumental reasons and that, as a consequence thereof, external pressure for further change subsides.

Extant research offers some cues about how elites in unitary organizations become invested in a new logic in the absence of intrinsic agreement with them (e.g., Campbell, 2007). This research emphasizes that adaptation to new institutional elements often takes symbolic rather than substantive forms and is designed to buffer the core of the organization from external demands that are incompatible with the logic historically imprinted into the organization (Thompson, 1967; Westphal & Zajac, 2001). For instance, the organization may institute policies, produce reports, and create staff departments to address a new institutional logic (McDonnell, King, & Soule, 2015), but these organizational devices remain only loosely coupled with the core organizational practices that are grounded in the logic that internal elites have traditionally endorsed (Boiral, 2007). Organizational elites may also attempt to co-opt stakeholders that support an alternative logic, without affording them substantial influence over the organization (Pfeffer & Salancik, 2003; Selznick, 1949). Organizational elites do not become invested in these adaptations because they accept the alternative logic. Rather, such adaptations promise to reduce external scrutiny while maintaining the historical institutional logic of the organizational core and, thus, maintaining the legitimacy of elites’ control over the organization.

Whether the elites of unitary organizations are able to avoid more extensive adaptations to a new logic depends on the degree of discretion they enjoy in this decision (Oliver, 1991). Managerial discretion is lower when external pressure is higher (Chin, Hambrick, & Treviño, 2013) and when external constituents are well-equipped to assess what is going on inside organizations and can therefore distinguish substantive from ceremonial changes (Marquis et al., 2016). When managerial discretion is low and external pressure threatens the control of organizational elites, it is then in their interest to engage more substantively with these external demands. However, more substantive engagements with a new logic still hinge on the same mechanism for refreezing changes: the investment of internal elites for reasons of self-interest and the preservation of their power and a reduction in external mobilization and corresponding reduced pressure for further change.

Refreezing in Coalition Polities

In coalition polities the refreezing of changes directly depends on the resettlement of the power balance among diverse elite groups in the coalition. In the absence of such settlements, changes remain “up for grabs.” On the one hand, elite groups with close links to the new logic would aim at anchoring elements of this new logic inside the organization, since doing so would allow them to exploit opportunities flowing from the new logic and would potentially bolster their standing inside the organization. On the other hand, internal groups not having links to the new logic would try to undermine the anchoring of such elements inside the organization, since they are concerned with shifts in the power balance and with other groups crowding out their own concerns (Battilana & Dorado, 2010). Any group could thus, in principle, use its control over organizational resources to further advance or roll
back changes, leading to an unstable standing of any changes inside the organizational polity. However, elite groups in coalition polities are used to working with opposing and diverging worldviews in everyday organizational life. Effective coalition polities can therefore draw on existing bargaining capabilities to negotiate a new order (Battilana, Sengul, Pache, & Model, 2015; Bishop & Waring, 2016; Canales, 2013). Because different elite groups share formal power, they depend on each other’s support to take action on a multitude of issues on the organizational agenda (Weber et al., 2009). This multiplicity of interests and issues in ongoing coalitions is central to the process of refreezing in coalition polities. It offers opportunities for trading support between elite groups across multiple and potentially relatively unrelated issues (Cuypers, Cuypers, & Martin, 2017). Hence, a first group may support or at least tolerate an issue endorsed by another group, if this other group in exchange agrees to support an issue that is especially important to the first group. Overall, this suggests that the process of refreezing relies on multi-issue negotiations between elite groups supporting and elite groups opposing the new institutional logic and that the outcome of the process therefore depends, in part, on the other issues presently on the organizational agenda (Kingdon, 1984).

Refreezing in Federation Polities

In federation polities the ability of one unit (e.g., headquarters) to impose compliance with the new logic is limited by the relative autonomy of subunits. Stabilizing any changes would thus depend on local support across units. Correspondingly, the existing literature identifies the internalization of new institutional requirements among local elites as critical for durable change (Ghoshal & Nohria, 1989; Wijen, 2014). Only if local units accept and endorse a new logic will corresponding practices persist in federation polities. However, as described above, initial support for the new logic varies across subunits: some mobilize in support of new elements, and others mount local resistance and countermobilization. Generating intrinsic support in all units through lateral influence and learning processes may thus prove difficult and time consuming (Zald et al., 2005). Change in federation polities is, as a result, frequently incomplete and haphazard.

Refreezing in federation polities therefore mostly involves the deactivation of incompatibilities across units. Federations lack the formal and informal organizational structures and processes to force mobilizing and countermobilizing groups into a common position. Refreezing can be neither the result of a unified elite’s investment in new arrangements, as in unitary polities, nor the result of coordinated negotiation processes among central elite groups, as in coalition polities. Thus, deactivateing residual differences can be the result of providing a frame within which local divergences can coexist, without being perceived as such. This can be accomplished by organization-wide common policies or guidelines inspired by the new logic that are, at the same time, delegated to local units for flexible implementation (Binder, 2007; Brannen, 2004; Gond & Boxenbaum, 2013). Local elites can then couple their organizational units to the new institutional logic in accordance with the political context in the local subunits (Värlander et al., 2016) such that units that mobilized in favor of a new logic implement policies more faithfully than the others that countermobilized, resulting in differential implementation across subunits (Ansari, Fiss, & Zajac, 2010). A broad and general organization-wide commitment to the new logic (conveyed, for instance, via organization-wide policies or guidelines) combined with local flexibility (regarding the extent of local implementation of such policies and guidelines) can subdue active mobilization for change, as well as countermobilization and resistance, so that the organization returns to a settled state.

Refreezing in Fellowship Polities

The refreezing process in fellowship polities is concerned with resolving discrepancies between practice drift and the logic traditionally espoused by elites. While in some instances practice drift can be reversed by strong organization-wide standards, in fellowship polities, with their decentralized structure, deviant practices are more likely to be normalized through justification and theorization efforts that undermine countermobilization by making new practices look compatible with the organization’s historically espoused logic.

During the transition stage, drifting elites have developed a practical understanding of how to work with and around the inherent inconsistencies that exist between the traditional and new logics, but they also feel compelled to maintain
elite unity when challenged by their peers. They thus aim to convince other elite groups critical of the new logic by providing practical solutions as to how the divergence between new and traditional logics can be overcome (Alt & Craig, 2016). In the case of fellowship polities, convincing internal critics is facilitated by the fact that the drifting elite groups originate from the organization’s traditional institutional logic and that these drifting elites themselves have experienced the conflict between new and traditional logics when they were first exposed to the new logic in the unfreezing stage. Drawing on their own experience allows them to anticipate and understand the concerns internal critics have and, thus, to frame their solutions in such a way that they resonate well with these internal critics (Cornelissen & Werner, 2014; Kaplan, 2008).

Relatedly, owing to their own allegiance to the traditional logic and a sense of unity with the other members of the organizational elite, drifting elites are respectful of the organization’s traditional logic and also highly motivated to maintain elite unity when they develop their reasoning on how to handle inconsistencies with the new logic. As a result, their solutions often do not constitute radical departures from the traditional logic but, rather, amendments to it. This amending process can take various forms, such as retheorizing the boundaries of the original logic so that new practices are included within these boundaries (Smets et al., 2012; Zietsma & Lawrence, 2010) or transforming the meaning of diverging on-the-ground practices so as to increase their compatibility with the original logic (Goodrick & Reay, 2016). In both instances elements from the new institutional logic are accommodated within traditional ones. For instance, Murray (2010) showed how scientists who started engaging in the use of patents transformed the meaning of these patents (a practice embedded in a commercial logic of knowledge production) to make them compatible with an academic logic, which emphasizes public access to the knowledge produced in academia. Normalizing drift in terms of the historically espoused logic not only prevents changes by embedding them in accepted institutional logics but also maintains elite unity and control.

**DISCUSSION**

We have analyzed through an open polity lens how organizations with a given political constellation are likely to experience and respond to a new institutional logic that conflicts with the existing organizational polity. We sought to bring into focus the role of the political dimension of organizations when they adapt to institutional complexity. Our central argument, derived from the open polity perspective, is that differences in organizations’ historically evolved political constellation—in terms of elite unity and centralization of authority— influence the type of episodic change process these organizations engage in when exposed to a new institutional logic that conflicts with some of the logics historically imprinted into the organization.

Our analysis seeks to directly address calls to reintegrate the role of politics and history that was central to the “old institutionalism” in organizational analysis, as well as to historical institutionalism in political science, with the conceptual repertoire of contemporary institutional analysis (Contu & Willmott, 2003; Hardy & Clegg, 2006; Hinings et al., 2018; Lawrence, 2008; Suddaby, Foster, & Mills, 2014). While conflict and power are not absent in contemporary accounts of institutional complexity in organizations, recent research has focused more on the position and resource endowments of particular agents (Greenwood & Suddaby, 2006; Heinze & Weber, 2016) than on historically grown power structures and vested interests at the organizational level. In contrast, the open polity perspective leads us, in this article, to conceive of organizations’ historically evolved political structures as the ground on which organizational struggles over institutional complexity play out.

Recent research has also produced a number of detailed process models to account for organizational reactions to institutional complexity. These process models are mostly derived from close studies of particular types of organizations (Bishop & Waring, 2016; Smets et al., 2012; Wright & Zammuto, 2013). The general model of episodic change that we have adopted here, however, has allowed us to focus on differences in processing institutional complexity across different types of organizations. Employing an open polity perspective, we constructed a typology based on two fundamental political dimensions of organizations—elite unity and centralization of authority—that influence adaptation processes in a path-dependent rather than deterministic fashion. This path dependency arises because the political constellation
of organizations interacts with and alters sociocognitive dynamics during change episodes by influencing how organizational elites understand and interpret new logics, how they define their interests in relation to these new logics, and when and how they mobilize for or against changes inspired by them. In essence, we suggest that organizational elites in organizations with different political constellations encounter newly emerging logics in distinct ways, leading to qualitative differences in the process of change when an organization’s environment promotes new logics that are at odds with the prior political arrangements inside organizations.

Ideal Types in Action

For clarity of exposition, we presented the basic contribution of explaining variance in change processes in terms of four ideal-typical configurations of organizational polities. This analytic strategy allowed us to characterize expected differences and their origin in political structures in a more coherent way, similar to the ideal types of authority identified by Max Weber or combinations of institutional logics in more recent work (Besharov & Smith, 2014; Raynard, 2016). An ideal-typical understanding of organizations’ internal political structures offers a lens for seeing and understanding the origin of process diversity. It also serves as a tool for generalizing theory through comparative analyses of change in a broader set of organizations. Yet an analytic approach that relies on ideal types raises the question of how these insights should be applied to the study of concrete organizations.

Most organizations are not “pure types” and may instead blend polity types—for instance, in the form of more ambiguous political structures. The risk of ideal-typical theorizing is reductionism. An application of our framework to concrete organizational settings must therefore always be based on a thorough empirical analysis of the organization’s actual polity, where the dimensions of unity and centralization are continuous rather than binary. Ideal types are then useful for two purposes. The first is for understanding differences between organizations, such as when authority in one organization is more centralized while another organization is more decentralized. The second is that these differences can then explain differences in organizational responses to identical external changes, even when these organizations are in between the extremes of ideal types and may thus exhibit a combination of processes (e.g., Kellogg, 2011).

Also as a consequence of using ideal types, we focused on change in stable polity types. In reality, the political structure of organizations changes over time. It would be important to understand when the organizational processes we described also alter the makeup of the internal polity. For instance, recent research suggests that some firms have responded to growing demands to pursue social responsibility alongside economic performance by establishing board-level committees in charge of dealing with such demands—therefore centralizing authority—which has made these firms more responsive to subsequent demands for socially responsible action (McDonnell et al., 2015). Polity structures are thus not given, especially over longer time periods, and feedback loops between processes of adapting to institutional complexity and political configurations are worth further study (see, for example, Heimer, 1999).

Initial Conditions and Contingency in Path Dependency

While we do expect historically grown political structures of organizations to influence the path of change, these political structures are, at the same time, not deterministic for either processes or the outcome of change episodes. As discussed in the previous section, the role of polity types on change processes is best seen as creating a form of path dependence to initial conditions, as often used in historical institutional analyses (e.g., Mahoney, 2000; March & Olsen, 1989; Sydow, Schreyögg, & Koch, 2009). Path dependence describes a dynamic where the outcome over a period of time is not determined by a set of initial conditions but where outcomes are related stochastically to such initial conditions.

In our model of episodic change resulting from exposure to new institutional logics, this means that initial conditions—organizations’ political structures—make a particular form of unfreezing, transition, and refreezing process more typical, but they do not determine this process. In addition, the form of the process itself is only loosely coupled with outcomes in terms of actual changes. This contingency is a general feature of process theorizing (Langley, 1999; Van de Ven & Poole, 1995).
What path dependency does suggest, though, is that what happens in an earlier phase of change constrains the options in later stages. For example, when unfreezing takes the form of importation in a coalition polity, mobilization in the transition stage most likely involves internal elite groups, rather than solely struggles with external groups (as is the case in unitary polities) or lateral influence and learning processes to facilitate cross-unit mobilization (as we argue is the case for federation polities).

Polity Structures and Other Factors in Institutional Change

The implication of our model is to take into account a particular form of power in understanding organizational change induced by external factors—namely, historical political conditions at the level of organizations. Polity structures can be seen as one way historical conditions are imprinted, not only in normative rules or taken-for-granted-beliefs but also in the distribution of formal and informal power in organizations (Stinchcombe, 1965). Our framework thus promotes analyses that take into account political dimensions of organizations that were established prior to organizations’ contact with new logics and that contribute to the inertia ascribed to organizations when exposed to a changing external environment.

This is not to deny that other factors, such as economic or cultural forces, may influence change independently of organizational power structures. And it is conceivable that the importance of the internal political structures of organizations depends on other conditions. For example, differences in polity structures may be more consequential when logics are less compatible or when fields are more fragmented so that organization-level variation is more likely (Pache & Santos, 2010). Conversely, while we emphasized externally driven change in logics, organizations’ polity structures may also play a role in when and how organizations can become active institutional entrepreneurs and can thus, in turn, shape the external institutional environment (Schneider, Wickert, & Marti, 2017; Weber & Waeger, 2017).

While our theorizing offers a general foundation for thinking about how historically evolved characteristics of organizational polities affect organizational adaptation to institutional complexity, we deliberately focused on a narrow set of two dimensions that have long been central in polity research (Kriesi, 2004; McAdam, 1996; Weber et al., 2009; Zald et al., 2005). Yet there is no reason to doubt that other organizational dimensions could also play a role. For instance, similar to others (Briscoe, Chin, & Hambrick, 2014), we have focused on elite actors in organizations. Future research could shed more light on when and how lower-status organizational members mobilize for or against newly emerging external logics. These endeavors could draw on relatively established bodies of literature, such as issue selling (Howard-Grenville, 2006) or workplace activism (Briscoe & Gupta, 2016; Morrill, Zald, & Rao, 2003). However, it is also clear from our analysis that nonelite actors have limited access to organizational resources for effective mobilization, thereby complicating successful change efforts initiated by these actors (Heinze & Weber, 2016; Kellogg, 2011).

We also focused our theorizing on the case where one institutional logic is aligned with one internal elite group so that multiple logics exist in organizations with nonunified elites, but not otherwise. Yet different elite groups in a polity could also be unified in their alignment with multiple logics, and it would be interesting to explore how the elites in such a polity would interpret and process the advent of a new logic in their environment. To the extent that the new logic conflicts with all the logics endorsed by these elite groups, one would expect processes similar to the unitary and fellowship polities described above. But it could also be that elite groups simultaneously grounded in multiple logics are more open to new institutional elements, which would lead to a potentially different trajectory. More work is therefore needed to clarify this point. More generally, multiple alignments in elite groups may not only be rooted in group members’ commitment to institutional logics but can also be the result of other factors, such as demographics or economic interests, and so need to be further examined in scholarship interested in organizational responses to new institutional logics. Such endeavors could draw on research on multiple group faultlines (Lau & Murnighan, 1998), which suggests that instances where group alignments are rooted in multiple attributes lead to greater unpredictability in group behavior. We would expect this greater unpredictability to play out especially in the transition phase of our process.
model, when the organizational polity is no longer in a stable state.

CONCLUSION: RESEARCH ON INSTITUTIONAL COMPLEXITY

Our basic model and the extensions discussed above inform the fast-growing literature on institutional complexity and specifically the role of organizations in it (Vermeulen, Zietsma, Greenwood, & Langley, 2016; Greenwood et al., 2011). The open polity perspective that we apply in this article brings a more historical conception of organizations to the study of current institutional research, as political entities that are constituted prior to contemporary institutional environments. The importance of intraorganizational structures and processes in the emergence and maintenance of complexity has recently been emphasized by some institutional scholars (Briscoe & Gupta, 2016; Heinze & Weber, 2016), but their work has not attempted a theorization of organizational differences for comparative analysis. Organizations engage with emerging logics from different starting points, and these initial conditions shape the nature and consequences of adaptation processes—an insight central to “old” institutional analysis (Selznick, 1957; Stinchcombe, 1965) but not to the more ahistorical neoinstitutional approaches. At the heart of our model, thus, is the proposition that external demands interact with historically evolved polity constellations to produce organizational responses. Our work thereby strengthens the temporal dimension in theories of institutional change and complexity (King, 2015; King et al., 2010) and leads us to be attentive to internal resistance and countermobilization against the advent of new external logics that conflict with part of an organization’s established political constellation.

In conclusion, conceiving of organizations as polities with distinct internal political structures and some degree of openness to external influence emphasizes how historically evolved polity features mediate the relationship between organizations and their contemporary institutional environments. For newly emerging logics to spur change at the level of organizational fields, it is oftentimes necessary for such new logics to become incorporated in established, incumbent organizations. Renewed attention to such incumbent organizations therefore also promises to enrich our understanding for changes at the field level.

REFERENCES


Daniel Waeger (dwaeger@wlu.ca) is an assistant professor at the Lazaridis School of Business & Economics, Wilfrid Laurier University. He received his Ph.D. in management from the University of Lausanne. His research interests include social movement theory and organization theory, as well as empirical phenomena such as corporate responsibility and corporate governance.

Klaus Weber (klausweber@kellogg.northwestern.edu) is an associate professor of management and organization at the Kellogg School of Management, Northwestern University. He received his Ph.D. in organization and management theory from the University of Michigan. His research uses cultural and institutional analysis to study the intersection of social movements and the economy, the political economy of globalization, and sustainability.
**AUTHOR QUERIES**

**AUTHOR PLEASE ANSWER ALL QUERIES**

AQ:1_Need column headings for the left two columns