

# PERSPECTIVE

## Finding the Organization in Organizational Theory: A Meta-Theory of the Organization as a Social Actor

Brayden G. King

Kellogg School of Management, Northwestern University Evanston, Illinois 60208,  
 b-king@kellogg.northwestern.edu

Teppo Felin, David A. Whetten

Marriott School of Management, Brigham Young University, Provo, Utah 84602  
 {teppo.felin@byu.edu, dwhetten@byu.edu}

Organization theory is a theory without a protagonist. Organizations are typically portrayed in organizational scholarship as aggregations of individuals, as instantiations of the environment, as nodes in a social network, as members of a population, or as a bundle of organizing processes. This paper hopes to highlight the need for understanding, explicating, and researching the enduring, noun-like qualities of the organization. We situate the organization in a broader social landscape by examining what is unique about the organization as a social actor. We propose two assumptions that underlie our conceptualization of organizations as social actors: external attribution and intentionality. We then highlight important questions and implications forming the core of a distinctively *organizational* analytical perspective.

*Key words:* organization theory; social actors; sovereignty; responsibility; organizational identity; goals

*History:* Published online in *Articles in Advance* July 2, 2009.

### 1. Introduction

Organizational scholars purport to study a unique entity in society—the organization—yet we rarely take the time to reflect on what makes an organization unique from other social entities. We in effect talk “around” the organization rather than about it. We examine, make predictions about, assess the consequences of, and theorize the internal operations of and external influences on organizations; but our theories do not lend themselves to disciplinary introspection on the subject of the organization itself, specifically with regard to the subject of the organization as an actor. In many subfields of organizational studies, the organization is often conceived as merely an epiphenomenon of the market or of ongoing community organizing, without recognizing the distinctive qualities of the organization. Although there is a causal relatedness of the organization to the market or other broad social forces, it is clear that, once formed, an organization has its own unique properties. Organizational scholars should be able to answer the ques-

tion: How is the organization different from other social forms?

The field of organizational studies has struggled since its inception to clarify our claim of distinction: we study things organizational (e.g., Stern and Barley 1996). The ironic loss of the organization as a central figure in *organizational* studies may be partly explained by our inattention to those qualities that make the organization distinctive from other collectives and social forms. When Weick (1995, pp. 197–198) called for us to “stamp out nouns” and “stamp in verbs,” to draw attention to processes of organizing, he reflected a fundamental shift in our view of the organization. Unfortunately, in the course of stamping in verbs, the organization as a distinct sort of entity has become invisible. We have forgotten or ignored the noun-like qualities of organizations. Additionally, the dominance of the open systems approach in macro-organizational theories has moved our theoretical focus away from the organization to broader societal forces. As Gavetti et al. recently argued, “[I]n recent years the organizations field as a whole has

become decidedly less organizational in its focus” (2007, p. 524). The ontological status of the organization as a distinct kind of social entity is not well theorized given the present focus on social phenomena above or below the organization-level line of sight and the associated focus on verb-oriented organizational processes.

Our paper is not the first to note the strikingly missing “O” in *organization* theory (Hirsch and Lounsbury 1997a, b; Whetten 2006; Gavetti et al. 2007; Kraatz and Block 2008).<sup>1</sup> In a provocative paper challenging the focus of organizational behavior studies, Heath and Sitkin (2001) differentiated between research that examines behavior observed in organizations (oB), research that assesses behavior occurring in organizational contexts (contextualized-B), and research that analyzes the tasks and behavior most central to the organization (Ob). They persuasively argue that it is the O of organizational behavior research that is relatively underdeveloped. Whereas Heath and Sitkin, correctly we believe, argue for more organizational scholarship of the Ob variety, we further argue that organizational scholars should better theorize what the O is in the first place.

What, then, is the organization in organizational studies? We argue that the organization is usefully understood as a particular kind of social actor, capable of behaving in a purposeful, intentional manner. This point of view differs substantively from other perspectives that see the organization as structurally unique but still fundamentally rooted in the market or in communities of organizing. The purpose of this paper is to call for increased theoretical sensitivity for considering the organization as a unique social actor and to reinvigorate interest in the central role of the organization in organizational theory (Coleman 1990, Ingram and Clay 2000, Whetten 2006). The paper is not a call for a new theory but rather is an urging for heightened sensitivity, regardless of theoretical perspective, to the *noun-like, enduring, and distinctive* qualities of organizations as actors.

## 2. The Organization as Actor: Lost Mandate and Review

The idea of the organization as a distinctive social entity is present in the work of many social scientists (also see Ingram and Lifschitz 2006, pp. 340, 349 for a recent discussion), including sociologists (Coleman 1982, 1990; Perrow 1979, 2002), economists (Galbraith 1967, Williamson 1975), and legal scholars (e.g., Gierke 1922, Maitland 1904; for a historical overview, see Dewey 1926). In the organizational literature the concept of the organizational actor, distinct from cultural and market-like forces, was punctuated and underscored by Coleman (1990, 1991), who noted the increased growth of purposefully established organizations and their rather radical influence on the social environment.<sup>2</sup> Simon (1991) poignantly emphasized that much of market activity indeed was organizational activity. And

Selznick (1949, 1957) and Stinchcombe (1965) emphasized the unique nature of individual organizations as actors with emergent, path-dependent personalities and enduring qualities.

Many macro-theoretical perspectives implicitly assume the organization is an actor. Life-cycle approaches of organizations assume that the organization passes through stages of maturity similar to those of individuals (e.g., Van de Ven and Poole 1995). The Carnegie School was foundationally interested in the organization’s behavior and ability to make decisions (Cyert and March 1963, Argote and Greve 2007, Gavetti et al. 2007). Ecological models also cast organizations as distinct actors experiencing birth and mortality (e.g., Hannan and Freeman 1989), and institutional theorists depict the modern world as one in which organizations are socially constructed as actors (e.g., Scott and Meyer 1994). But although these macro perspectives posit that organizations occupy positions as social actors, theoretical emphasis has generally been given to higher or lower levels of analysis. Not much effort has been made to explain the underlying assumptions of what it means to be an actor. Consequently, our organizational theories have weakly theorized the very unit of analysis that defines our domain of study.

Three broad perspectives highlight this problem. First, some scholars have argued that organizations are the aggregation of individual transactions. Organizational economists have, for example, cast the organization as a “nexus of contracts” (Alchian and Demsetz 1972, Jensen and Meckling 1976, Demsetz 1988). Firms only exist as “legal fictions” (Fama 1980). Second, process-oriented scholars focus on the interaction (or “organizing”) of individuals who bring organizations into existence through an “intersubjective and shared” experience (Clegg and Hardy 1996, p. 4; Weick 1995, 1998). Within this perspective, speaking of the organization as anything other than a collection of interacting individuals is merely using metaphor to describe social interactions. Saying “the organization acts” is shorthand for some individual acting in an organizational role. Scholars who have argued against the anthropomorphism of organizations have perhaps been the most strident in their rejection of organizations-as-actors (cf. Simon 1969). Third, the “open systems” approach to organizations—theories such as institutional theory and population ecology—has heavily focused on the various population and environmental-level drivers of organizations. The move toward an environmental focus in organizational research was in part driven by contingency theorists, who rightly noted that environmental factors and dependencies shape the form and behavior of organizations (Lawrence and Lorsch 1967, Pfeffer and Salancik 1978).<sup>3</sup> And more generally, the open systems approach seemed to reflect the increasing need to take

into account the many environmental and technological complexities faced by organizations (Scott 1998). In general, these perspectives view the organization as an instantiation of the environment in which it is embedded. By conceptualizing the organization as a reflection of its broader environment, open systems scholars have downplayed agency and intentionality (Powell 1991) and have increasingly taken the position that the field is the most important level of analysis and is the location of mechanisms facilitating economic and social change (Davis and Marquis 2005).

In contrast, we argue that once constituted as such, organizations are actors that can exert influence on individuals, shape communities, and transform their environments.<sup>4</sup> Organizations are bona fide mechanisms for societal change. By making this claim, we assert that organizations do more than just occupy a particular role in society and organizations are more than aggregations of individuals or instantiations of their environments. In this paper, we identify the metatheoretical assumptions that underlie the conceptualization of an organization as a social actor. We also establish that organizations are similar to other actors in society, namely individuals and the state, and that because they are actors, organizations are fundamentally different from other social forms such as markets or communities.

### 3. The Organization as a Social Actor

What does it mean to say that something is a social actor? At one level, social actors are recognizable because of the way that they are perceived and interpreted by other actors. We believe that actors have the capability to make decisions and behave of their own volition, and we hold them accountable for the decisions they make. This attribution distinguishes actors from many entities, such as common objects or geographical areas, that can only be acted upon. It is relatively uncontroversial to claim that organizations take actions. Our language reflects a reality where the organization acts and is. An organization's actions define what it is. For example, in lay language—whether in the business press or the MBA classroom—we have no problem whatsoever saying: “IBM has transformed itself,” “Westinghouse laid off 1,000 employees,” or “Nike acted irresponsibly.” Theoretically this linguistic reality is consistent with the notion in identity theory that each organization is a unique self or has a “distinctive behavioral signature”—a coherent pattern of choices that is relatively time and situation independent (Baumeister 1998, Mischel and Morf 2003).

We propose that two theoretical assumptions underlie the organizational actor concept. First, the *external attribution assumption* is that organizations must be attributed as capable of acting by other actors, especially by their primary stakeholders and audiences. This

assumption derives from sociological work on the emergence of self in the context of social others (Goffman 1959) and is the logic used by Coleman (1982) and others (e.g., Czarniawska 1997). Organizations are actors because society, not only legally but also practically and linguistically, grants them that status. Their status derives from the expectations of others, including the state, individual members of the organization itself, and other stakeholders and audiences who monitor and hold them accountable for their actions (Bauman and May 2001, Czarniawska 1997). To hold the organization accountable and responsible for its actions but to not treat it analytically as an actor is a conceptual disconnect that we in effect hope to rectify.

In addition, we also assume that actors are capable of deliberation, self-reflection, and goal-directed action. Therefore, we propose the *intentionality assumption*. In short, actors have some form of intentionality that underlies decision making and behavior. The second assumption derives from the social psychology of action and motivation (e.g., Deci and Ryan 1985) and from the philosophy of the mind (Dennett 1987) as well as organizational research on decision making (Gavetti et al. 2007). We perceive action as deriving from a view of the self—a reflexive, subjective point of view—that guides choices and directs the behavior of the organization's member-agents. Without this sense of internal direction and self-reflection, organizational action could not be attributed to any source other than the individuals constituting the organization or the environment in which the organization is embedded.

These two assumptions also underlie our belief in human beings as real actors. Describing a human as an actor involves (1) an attribution of the ability to take action and (2) an attribution of intentionality based in a motivating self-view that guides or justifies action. In contemporary society, organizational action and human action are similar in this respect (Czarniawska 1997). Although organizations do not share the same structural attributes as human actors (e.g., nervous systems), they have similar functionality. We follow Morgeson and Hofmann (1999) in applying concepts typically used at the human level to posit the nature of actors at the organizational level. According to Morgeson and Hofmann, concepts that are functionally similar may be borrowed across levels even if they have different structures.<sup>5</sup> Describing and analyzing the organization as an actor is appropriate because the features that distinguish humans as actors are functionally equivalent to the features common to organizational actors. The following section outlines those structural characteristics.

#### 3.1. Structure of the External Attribution Assumption

*3.1.1. Sovereignty of the Organization.* Organizations contract (Williamson 1975), hire and fire (Baron

et al. 1999), induce contributions (March and Simon 1958), and more generally have sovereign powers in making decisions (Coleman 1982). The notion of sovereignty of course hearkens to a legal conceptualization of the organization in which sovereignty is the bestowal of authority through legal charters (Maitland 1904). Recently Kaufman (2008) highlighted the legal and macro-institutional origins of the corporate form in the United States in the seventeenth century, showing that the corporate actor's ability to act (e.g., make transactions, sue, and be sued) is a function of a bestowal of sovereignty by a legitimate authority outside the organization. The state, quite literally, treats the organization as a unitary actor and grants authority to the organization to erect membership barriers and to exert control over behavior within the organization.

The creation of the corporate form, however, enabled just one form (the modern form) of organizational sovereignty. Throughout history other institutional forms of authority, such as religion, have granted organizations the legitimacy needed to operate with authority (Chaves 1994). Stakeholders, in turn, monitor this authority and regulate the expectations attached to that authority. Organizational sovereignty, then, refers to the rights of the organization to control who its members are and what actions its members take, within the bounds of authority granted by key external stakeholders. Sovereignty entitles organizations to act without the consent of their members, even in cases where their actions might prove harmful to members, as long as they act within the perceived bounds of their authority. Once established, sovereignty also allows the organization to act on its environment, engaging in negotiations with the state and other actors. In this manner, the organization plays a critical role in creating its own field of peers and competitors (Laumann and Knoke 1987).

As Coleman postulated, the sovereignty of modern organizations (specifically, the corporation) is also granted by joint concessions from members of the organization who surrender certain natural rights to the organizational actor (1982). By surrendering sovereignty to the organization, “natural persons” (in Coleman's terminology) impose limitations on their personal autonomy, empowering the organization to behave as an autonomous actor. Thus when a person enters a new employment contract with an organization, the new employee becomes subject to the bureaucratic constraints that define desired behavior in that realm (Weber 1947). Of course, not all employees comply perfectly with bureaucratic guidelines, and informality manages often to subvert bureaucracy, but most organizations are built to allow for this degree of flexibility in informality without rupturing the sovereignty of the organization.

Sovereignty may also be thought of in light of power. The organization has power to determine membership, reward behaviors and promotions, and impose sanctions

independent of its members. This source of power is important as it provides a comparative, distinguishing characteristic of the organization—specifically in comparison to solidarity-oriented models of collective action. From an organizational actor perspective, the organization exercises power in deliberately admitting and dismissing members of the organization and in “controlling” behavior through rules, rewards, and sanctions. Thus although we certainly recognize that what the organization *is* is importantly shaped by who is attracted to it and associated self-selection processes (Olson 1965, Hirschman 1970, Schneider 1987), the organization also has unique abilities to shape who comes and goes and, perhaps more importantly, what roles are taken on by individuals and how they ought to behave in those roles.

The focus on roles rather than individuals is an important component of an organizational perspective. Accordingly, individuals belonging to an organization can be thought of as member-agents—members speaking and acting on behalf of the organization, members who know when they are acting on their own and when they are acting as agents (Whetten 2006). The roles of an organization prescribe individual behavior inasmuch as the individual acts within the domain of organizational activity. Every organizational member is, to a degree, an extension and representative of the organizational actor.

One important implication is the focus on the difference between personal commitments and joint commitments. In other words, it must be recognized that in many collective settings, organizations being a clear example, personal preferences are set aside or ignored, and the collective considers what “we” as a collective should do (cf. Gold and Sugden 2007). Whereas personal commitments typically involve a decision to uphold some principle or create some personal obligation, collective or joint commitments, on the other hand, are entered with a shared understanding that members of a group will uphold those obligations and cannot unilaterally change the conditions of a joint agreement (Gilbert 2000, Tuomela 2004). Individuals belonging to an organization accept the joint commitment to uphold certain principles. Thus even when personal preference would suggest an alternative course of action, organizational members are committed to the organization's cause, rules, etc., even if they do so begrudgingly. The notion that individuals become reciprocally obligated to the organization is justified by the literature on psychological contracts (e.g., Rousseau 1989). Note that in this literature, the employee perceives that the organization (and not an aggregate group of individuals) is the contractual partner. Overall then, the special feature of sovereignty allows organizations to coordinate members' behavior to produce consistent and collective outcomes over which any given individual has very little control.

**3.1.2. Responsibility of the Organization.** Because organizations have legal status as actors and because of their unique positions as societal powerholders (Perrow 2002), organizations have responsibility for choices (Coleman 1982, Bovens 1998). Legally, corporations are liable for damages and risks associated with their business operations. Outside of the legal realm, concepts such as image and reputation suggest that organizations are held responsible for their actions by various stakeholders (Fombrun and Shanley 1990, Fombrun 1996). Inasmuch as organizations are accountable for liabilities created by their goal seeking, they become responsible in the eyes of third parties for actions taken on their behalf (Romzek and Dubnick 1987).

There are also strong philosophical reasons for assuming that organizations should be held responsible for their actions (Bovens 1998). Organizations can be deemed responsible actors if organizations can act semi-autonomously from their members' preferences: organizational members' actions are driven not by their preferences but by the members' roles as agents of the organization. Responsibility emanates from the ability of organizations to direct members and to influence them to behave in ways that they might not under normal circumstances. The mission of the organization, its routines and practices, and individual members' roles within a hierarchy may elicit certain forms of behavior and choices that are directly attributable to the organization rather than to the individual.

The flip side of the social responsibility coin is agency. Specifically, to hold a social entity responsible for the consequences of its actions implies a widespread belief that the entity has agentic capabilities—that is, it has the capacity for self-governance. Thus it is inconsistent for us as organizational scholars to argue on the one hand that organizations need to be held responsible while our theoretical assumptions, on the other hand, do not allow organizations agentic capabilities but rather emphasize the causal role of the environment.

The closely related structure-agency debate of course has been a mainstay in organizational (Astley and Van de Ven 1983) and sociological analysis (Sewell 1992), but for the purposes of our arguments, we note that some measure of agency must analytically be granted to the organization, given its unique actor status and given that society holds organizations responsible for their actions. In other words, organizations in effect “can do otherwise” and thus make decisions beyond the inevitabilities of isomorphism associated with the need for legitimacy (DiMaggio and Powell 1983). Organizations set strategy, pursue policies, and make other choices that play an important role in eventual outcomes. In sum, the disconnect is that although we hope to hold organizations responsible for their actions, our analytical and theoretical apparatus heavily discounts the extent to which organizations are responsible for their actions given that the environment is emphasized over agency.

### 3.2. Structure of the Intentionality Assumption

A primary assumption of our perspective is that organizations have intentions that are partially independent from the beliefs, values, preferences, and goals of their constituents. Actors, individuals or organizations, possess a unique self-view (Whetten 2006), sometimes referred to as self-knowledge (Markus 1983) or self-meaning (e.g., Burke 1980). The existence of a self-view allows actors to take themselves seriously as creators of meaning and as reflexive beings capable of self-assessment (Mead 1934, Burke 1980). The “self” aspect of actors is referred to elsewhere as the intentionality that makes actors distinct from other entities (Dennett 1987, Pettit 2003, Tollefsen 2002). A social entity can be thought of as intentional when people associate it with a point of view (i.e., self-view) that is a “reliably predictable” explanation of the entity’s behavior (Dennett 1987, p. 29). We cannot see inside the head of someone with whom we interact, but we explain her behavior based on our understanding of her self-view (Czarniawska 1997). Perhaps unconsciously, we, as intentional actors in our own right, put ourselves in her place and attempt to see the world from that alternative point of view.

[T]he view that when we attribute beliefs and other intentional states to others, we do this by comparing them to ourselves, by projecting into their states of mind. One doesn’t ask: “what ought this creature to believe?” but “what would I believe if I were in its place?” (Dennett 1987, pp. 98–99)

By placing ourselves in an intentional stance, we assume that the actor’s behavior is motivated by a particular view of the world and her sense of self in relation to that world.

We can compare actors to other entities that have more simple mechanisms of response to their environment. For example, one might argue that a thermostat, which is designed to fulfill one specific function, cannot be conceived as intentional because we cannot imagine the thermostat having any point of view outside the simple context of reacting to the heat of a room.<sup>6</sup> But as a more complex system becomes capable of responding to (or even creating) dramatic changes in the environment (or at least interpreting those changes as problematic for its survival) and capable of self-reflection, we can begin to think of the system as more than just a clever device for solving a specific problem. The intentional system of this type has a “representation of the environment in—or implicit in—the organization of the system” (1987, p. 31), and this internal representation allows the system to respond to its environment in a predictable way.

Tollefsen (2002) has argued that organizations are intentional because they are specifically designed to carry out a particular point of view. The whole structure of an organization is oriented to this point of view. Functionally, this allows the organization’s member-agents

to make decisions in a somewhat predictable fashion. By placing themselves in the organization's self-view, an organization's member-agents can deliberate, make decisions, and take actions that are not completely motivated by their own individual self-interest. Rather, the self-view of the organization occupies the mind set of the member-agent and allows the member-agent to *act as if the organization is willing the action to be so*. Thus a member-agent's interpretation of the organizational actor's point of view as real, in turn, provides the basis for organizational decision making and self-governance. The self-view consists of more than retrospective sensemaking. The ability of the member-agent to explain and make sense of the organization's intentionality allows member-agents to be forward-thinking and act in a way that they perceive benefits the purposes of the collective actor.

An organization's point of view, independent of the individuals within the organization, is the path-dependent result of an organization's history. This past can be seen as an accrual of strategic and other related decisions, and agents acting on behalf of the organization reflect on this past to ensure some inter-temporal coherence between its past actions and future actions (cf. Albert 1977). An organization's choice sets are not just *delimited* by an organization's past (Mahoney 2000), but decision making about the organization's future is also *informed* and *driven* by its history and past actions.

We suggest two related concepts that are central to an organization's point of view: identity and goals. These two features of organizations cannot be ascribed to a single individual in the organization. In this sense, they are properties of the organization and not of some individual(s) within the organization.

**3.2.1. Identity of the Organization.** Organizations possess unique identities that make them recognizable, legitimate their existence, and distinguish them from similar others (Albert and Whetten 1985, Deephouse 1999, Whetten and Mackey 2002). An organization's identity stems from those features, attributes, and characteristics that are most central, enduring, and distinctive (Albert and Whetten 1985). Central features are those that serve as essential properties of an organization (i.e., their elimination yields a different kind of organization). Enduring characteristics are those that have withstood the test of time (akin to Selznick's [1957] notion of irreversible commitments). Distinctive characteristics are those that distinguish the focal organization from similar organizations.

Comparing organizational and individual identity, Whetten (2006) has noted several parallels: identity specifies an (individual or organizational) actor's unique social space; being readily recognizable as a certain type of actor is a prerequisite for sustainable social interaction; and an actor's identity makes self-governance possible by serving as the corner stake against which all

attitudes, beliefs, and actions are brought into a practical degree of alignment.

One critique of our perspective may be that strong leadership serves the function of intentionality within organizations, and thus there is no need to theorize "actorness" beyond the level of the organizational leader. However, this reinforces our point because leaders are highly involved, more so than other member-agents, with the creation and maintenance of the identity of an organization. Following Weber's (1947) notion of the "routinization of charisma," organizational sociologists have long believed that in order for organizations to survive, the encompassing authority of their founders must be reestablished in the structure of the organization (e.g., Ocasio 1999). In the early life-stages of an organization, its identity may be largely shaped by a small group of founders that makes choices about the directions, goals, and values of the organization; but over time this identity becomes institutionalized as the organization becomes "infuse[d] with value" (Selznick 1957, p. 17). In mature organizations operational answers to organizational identity-related questions (e.g., "Who are we as an organization?" "What kind of organization is this?" "How is this organization different from similar others?") are exogenous to and predate the individual or shared beliefs of current members. Indeed, contemporary identifying features and related identity claims may largely reflect decisions made by the founders of the organization (Baron et al. 1999, Johnson 2007). The enduring and path dependent nature of identity points to two implications. First, organizations in the early stages of existence may be more amenable to change and may largely reflect the preferences and even characteristics of their founders. Thus the actorness of organizations is a function of survival past a stage of sufficient institutionalization. This is not to suggest that new organizations never have intentionality; however, their intentionality is largely an expression of idiosyncratic preferences of the founder(s). Second, although changes in an organization's identity, once institutionalized, are in principle possible, in practice they are not only difficult to achieve but may endanger the survival of the organization, given the far-reaching ramifications of altering its core features and related competencies (Freeman et al. 1983).

Critical to our argument about organizational intentionality, identity makes possible coherent, predictable social interaction within and among organizations. More specifically, identity creates a set of expectations about appropriate behavior for a particular organization. As identity claims become expressed as institutionalized mission statements, policies, and routines, they operate as the organization's social context, providing members and informed outsiders with a common set of phenomenological points of reference that guide consequential deliberation and organizational decision making. From this internal perspective the organization "can

assess the truth and consistency of beliefs, resolve contradictions between other intentional states, determine means to ends, etc.” (Tollefsen 2002, p. 399). Identity forms one basis for intentionality within the organization because when confronted with decisions of import, organizational agents can always refer, explicitly or implicitly, to an organization’s “irreversible commitments” as precedents for appropriate action (Golden-Biddle and Rao 1997). (“Given who we’ve become as an organization, this is the appropriate decision.” “That option would be considered uncharacteristic for us.” “Given our core values and enduring commitments, which of these alternatives is in the best interests of the organization?”)

By serving as the backdrop of strategic deliberation, organizational identity directs the attention of the organization and “legitimate[s] both the issues and problems that firms consider and the appropriateness of the answers and responses to those issues and problems” (Ocasio 1997, p. 198). In this sense, the organization’s identity guides behavior and decision making without always relying on the sound personal judgment of each and every member or on specific routines or rules that specify behavior.

**3.2.2. Organizational Goals.** An organization’s self-view is also manifest in the propensity for goal-directed organizational activity. Official, public goals may serve as a basic guide to member-agents’ behaviors as well as provide an accountability mechanism for third-party outsiders (Perrow 1961). Sometimes these goals may be fairly broad and ambiguous (e.g., “our goal is to maximize shareholder value”) and at other times more specific and related to particular operations (e.g., “the organization needs to acquire new assets in the cable television industry”). Specific goals provide organizational members with criteria to judge the appropriateness of behavior and strategies. Goals also provide a justification for behavior and allow individuals, within and outside the organization, to assess organizational performance.

Typically, the study of organizational goals is associated with the rational view of organizations (Scott 1998), which assumes organizations are goal-directed, purposive entities (Simon 1945, Cyert and March 1963). Goals are seen as the primary motivation behind organizational design. Clear goals lead to the formation of sub-goals, routines, etc. (March and Simon 1958). In organizations where goals are clearly defined, as may be the case with many formal bureaucracies (Ouchi 1980) or profit-seeking organizations (Perrow 1961), the organization’s self-view is more coherently defined. However, as we explain below, coherence of goals (or identities, for that matter) is not a prerequisite for our definition of organizational intentionality. Rather, organizations’ self-views are often complex and contradictory, just as human actors’ conceptions of self are not neatly ordered or perfectly coherent.

**3.2.3. The Multifaceted Nature of Intentionality.** One potential critique of our argument is that many organizations do not have coherent identities or goals. Employees and other stakeholders often have varying perceptions of an organization’s identity (Mael and Ashforth 1992, Gioia et al. 2000). Some organizations are situated across multiple social categories (Zuckerman 1999). Organizations often struggle to identify their goals or have multiple goals (Ouchi 1980). New goals may displace the old (Michels 1949). The stated goals of an organization may even differ from the goals pursued in everyday organizational life, or coalitions within the organization may have competing goals (Cyert and March 1963).

But we note that identity and goal incoherence is also a property of human actors, and yet we have no trouble characterizing individuals as intentional. Individual preferences are often unordered or not consciously understood by the individual (March and Simon 1958). Human preferences and goals may be even less internally coherent than those of organizations (Freese 2009). In our interactions with individuals, however, we frequently put ourselves in the place of individuals and attempt to understand their decisions through the lens of an alternative point of view. It is the capability to adopt a reflexive perspective (not only with our own selves but with the selves of others) that allows us to make sense of and predict the behavior of others, thereby making social interaction possible.

Importantly, the same interpretive principle applies when individuals interact with organizations. In any given interaction, we conceive of the organization as being driven by a particular identity claim (e.g., this organization seeks to serve the poor) or by specific goals (e.g., the organization will minimize costs in job negotiations). It does not matter that the organization may have multiple goals or identities; when making a decision, members of the organization must eventually settle on a particular self-view that forms the background for their decision. As noted by Katz and Lazarsfeld, “[I]f individuals cannot agree on ‘what should come next,’ they cannot take collective action” (1955, p. 62). An organization’s self-view then facilitates internal deliberation of choices and helps member-agents determine what the appropriate future directions of the organization are. Decisions made with reflexivity and consideration of a self-view, in turn, sustain the external attribution of the organization as a motivated, responsible actor with its own unique needs, motivations, etc.

That organizations have multiple identities may even enhance organizational agency, as the conflicting demands of different environmental standards present the opportunity to make choices and invest decisions with more careful deliberation and self-reflection (Kraatz and Block 2008). Rather than being highly constrained by a single set of norms or cultural cues, individuals and

organizations with multiple identities have flexibility in making strategic choices. In this sense, multiple identities and goals create opportunities for agency and choice rather than constraining or determining action.

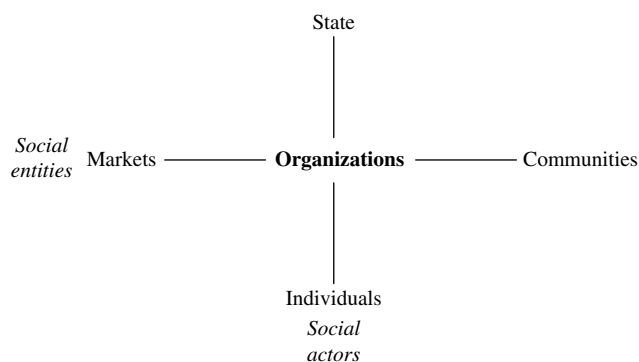
The fact that all organizations possess some internal incoherence in their goals and identities leads us to assume that organizations will never be free of internal conflict. Competing factions, power struggles, and goal disagreement may be the normal state of affairs in most organizations. But the very existence of organizations—their survival in the face of continual conflict—depends on member-agents' collective ability to resolve substantive internal conflicts and reduce competing goals as they formulate strategy and make direction-setting decisions. Indeed, an organization's self-view is especially prominent during times of profound disagreement over fork-in-the-road choices. It is during these life-defining moments that considerations like “what's the appropriate choice for us, given ‘who we are’ as an organization” take on special significance (Ravasi and Schultz 2006). However, whether the organization's identity and associated goals carry the day or are altered at the end of the day matters not for our purposes. Instead, the very fact that profound internal dissension gets settled lends credence to the notion of intentional organizational action. The resolution of disagreements without splintering into offshoot organizations is evidence of organizational intentionality. Functionally, the process of deciding between goals and settling organizational conflict is similar to the very human process of making tough choices and resolving internal conflict (e.g., “Part of me wants to end this relationship and part of me wants to stay”). The resolution of this internal conflict helps further articulate the self.

We certainly recognize that organizations can also be conceptualized in terms of their goal or preference heterogeneity; namely, organizations can be conceptualized as a collection of “individuals and groups whose preferences, information, interests, or knowledge *differ*” (March and Simon 1958, p. 2, italics added). However, almost by definition, there must be more homogeneity in goals and intentions *within* organizations than there is *between* organizations (see March and Simon 1958; cf. Elster 1989, pp. 248–249). Pursuing “all” heterogeneous goals or preferences simply is not feasible for an organization not only because of costs and identity-violations but also because of the limits of organizational attention (Ocasio 1997). In this sense “*organization by firm is variety reducing*” (Kogut 2000, p. 408, italics added).

### 3.3. Situating the Organizational Actor in the Social Landscape

Organizations occupy a unique position in the social landscape of collective forms and actors. Figure 1 displays a visualization of this landscape. Vertically,

Figure 1 The Social Landscape of Organizations



it includes what Baumann and May (2001) identified as the three types of social actors within modern society: individuals, organizations, and the state (cf. Ingram and Clay 2000, p. 527). These three types of actors can and often do interact with one another. Organizations form contracts with other organizations and individuals. The state regulates both individuals and organizations, and both actors in turn try to shape the regulatory powers of the state.

Horizontally, the organization can be compared to two other types of social entities that are also, structurally, made up of individuals and are regulated by the state: markets and communities. Markets, communities, and organizations may all be different forms of collective behavior, but what comparatively differentiates the organization is that neither markets nor communities are commonly viewed as actors. Whereas communities or markets may share some features in common with organizations, organizations are unique because they are assumed to be sovereign, responsible, and intentional.

The fact that organizations alone can be conceived of as actors provides an important conceptual boundary between the social entities on our horizontal scale. Organizations are similar, of course, to markets and communities in recognizable ways. Organizations, like markets, are often based on satisfying instrumental needs. They assist people in accomplishing valued ends such as fulfilling monetary needs, and they may coalesce the efforts of people in accomplishing shared purposes. Furthermore, hybrid forms suggest that there are overlaps between organizations and markets (Zenger and Hesterly 1997). At early stages of organizing, entrepreneurial efforts may resemble markets more than organizations, and even after an organization is well established, the organization continues to outsource various activities. Therefore, an organization is never completely separate from the market, much in the same way that a human being depends on and interacts with others in its immediate ecological environment. But at some critical point in the organizing process, organizations *develop capacities for self-governance and a distinct self-view, independent of the original entrepreneurs, and the organization becomes qualitatively different from the market*. The



organization, at this point, is not just an extension or an aggregation of various individuals and market processes: The organization becomes different in kind.

Communities and organizations also share some similarities. Like communities, organizations exhibit solidarity among their members (Stinchcombe 1965, Stevens 2002). Organizational members fulfill emotional, cognitive, and social needs through participation. Organizations even form the makeup of communities, serving as portals through which community members communicate their interests and accomplish collective ends. Communities have identities and sometimes goals. But communities are different from organizations in consequential ways. Most significantly, communities lack sovereignty, consisting of interdependent individuals who are not constrained by strict roles and hierarchical control. The identities of communities are also markedly different from the identities of organizations. In the extreme, we can say that whereas communities derive their identity from the collective identity of their members, organizations imprint their identities on members. Identity in organizations emerges from and is reinforced by formal relations that “sustain solidarity and provide a coherent ideological framework” (Clemens 2002, p. 402).

A potential critique of our framework is that communities and markets do, at times, look and act like organizations and therefore, in these instances, they warrant the designation of social actor. We would emphasize that these are ideal types and that in reality there is likely to be variation in fit. In other words, we are theorizing about differences among social forms, not arguing that every social entity can be unambiguously classified as one and only one social form. With this perspective in mind, the argument that markets and communities can adopt organization-like properties and engage in organization-like activity reinforces the merits of treating organizations as a distinctive social form.

As noted by Hayek (1945), markets inherently lack a centralized source of sovereign control or authority, yet we can imagine situations where firms in a market cooperate to form business groups (e.g., strategic alliances, industry associations) with a common identity and authority enabling the attributions of sovereignty and responsibility (Granovetter 1994, Simon 1991). Inter-firm networks may develop shared goals and coordinate in an effort to achieve those goals (Amin 2000). Yet in most cases strategic alliances are inherently more unstable than the associated organizations that constitute them. In part, this stability resides in the independent autonomy of each member organization to exit the alliance. If one member of an alliance decides to end the relationship, the partnership and its capacity to engage in independent action is dissolved. Corporations, by comparison, do not often suffer the same fate when a few members choose to leave the organization.

Even in cases of mass exodus, the organization retains the distinguishing properties of a social actor. On the flip side, some organizations like conglomerates may become so large and diversified that it becomes difficult for them to maintain their sovereignty and distinctive self-view (Davis et al. 1992). The constituent parts become semi-autonomous from the umbrella organization that contains them. In these situations, we might expect sovereignty, responsibility, and intentionality to reside at the level of the subsidiary.

Similarly, some communities may organize for specific purposes and develop the properties of an organizational actor. Members of a community may create a community action council to pursue a specific goal. Yet in cases where communities are capable of unified, goal-directed action it is usually because they have organized themselves sufficiently to create a new kind of collective form—an organization. For example, some social movements, which are communities of activists sharing similar goals to create social change, develop a common “self,” often in response to a perceived threat from an “other,” and create internal decision-making procedures that allow them to act as a coherent whole (Hirsch 1990). In these situations, the movement transforms into a movement organization.<sup>7</sup>

### 3.4. Summary

In this section we have identified key assumptions underlying the view that organizations are actors. By highlighting the organization as a social actor, we also show why it is conceptually incorrect to say that organizations are nothing more than aggregated individual behavior or that organizations are little more than instantiations of their environment.

Organizations are externally defined as actors by other actors in society. Organizations have sovereignty to act independent of the wishes of their members. Organizations are a type of social tool designed by individuals to accomplish purposive collective action on a scale and in a manner that is both unattainable by any given individual. Once fashioned as such, organizations take on a life of their own and are held to a standard of responsibility analogous to that attached to individuals. Social conventions hold not just organizational members responsible to their organization, but the organization itself as an actor also responsible to the larger society. Embedded in this conception of organizational social responsibility is the presumption of intentionality. An organization’s self-view, often manifest in its identity and goals, underlies decision making and deliberation within that organization, thus forming the basis for intentionality.

We draw attention to three analytical implications from this perspective. First, identifying these common assumptions makes obvious certain cross-level similarities between organizations and other kinds of social

actors (namely, the state and individuals). The distinctive actor properties of organizations should be at the center of organizational studies. Second, given organizations' social actor standing, the field of organizational studies needs to be capable of distinguishing between organizational action and individual actions occurring within an organizational setting. Individual actions occurring within an organizational setting are sometimes only loosely linked with a person's organizational membership, sometimes made on behalf of the organization, and sometimes directed at the organization (e.g., an employee-employer dispute). Thus a more complex view of organizational actor-individual actor interaction is called for. Third, these distinguishing features point to specific ways in which organizations relate to other collective forms. Although organizations may arise out of market conditions or from community attempts at organizing, once created, organizations represent a distinct social entity with characteristics that are independent from these founding conditions. By implication, *communities and markets only begin to look like actors when they develop organizational properties.*

#### 4. The Organizational Actor: Key Questions and Research Implications

What are the research-oriented implications of conceptualizing the organization as a social actor? What difference should it make to our research agendas? We contend that the most important implication is that it generates a better understanding of what ought to be central to organization theory—the organization. Numerous organizational scholars have lamented that organizational theory is a fragmented field, divided by competing and incommensurable paradigms (e.g., Pfeffer 1993, Donaldson 1995). Although it is unlikely that the future of organizational theory will witness a convergence of the various theories that make up our field, we think it reasonable to expect that organizational scholars can come to some agreement regarding the topic that unites us. We propose a conservative litmus test: *organizational theory should in some way explain how organizational actors behave and relate to individuals and their environments.* We are not proposing that scholars abandon the study of environments or individual behavior. Rather, we think that the behaviors of organizational actors (e.g., decision making, goal setting, identity maintenance) should be central to our theoretical explanations. The focus on the organizational actor is the potential disciplinary contribution of organizational theory. In this section we highlight some key problems that motivate organizational theory and propose unique insights that refocus our attention on the enduring, noun-like qualities of organizational actors.

#### 4.1. Organizations and Their Environments

The study of organizations' relationships with their environment is an important area of interest in organizational scholarship (Scott 1998). Our reorientation calls for more research focusing on the organizational qualities that mediate this relationship. Rather than taking the view of most macro-theories that organizations are constituted by their environments, our approach draws attention to how environments are created and manipulated by organizations. Research on institutional entrepreneurship addresses how organizations serve not only as enactors of their environment but also as potent agents of institution building (Leblebici et al. 1991, Galaskiewicz 1991, Fligstein 2001, Lounsbury and Rao 2004). Organizations of course are not completely autonomous, and some work has begun to wrestle with the interplay of the organizational actor and its context (Ingram and Clay 2000). Further focusing on the role of the organizational actor may provide some theoretical leverage to understanding the nature of organizational agency and environmental constraint (Powell 1991) and help us identify the intra-organizational sources of autonomy.<sup>8</sup>

Our perspective leads us to expect that an actor's properties may mediate its ability to act on its environment, create it, or overcome environmental constraints. The external attribution assumption points to the idea that organizational autonomy is partly a function of the kind of authority that organizations exert and to which they are accountable and responsible. Research might address how organizations' unique constituencies shape their ability to act autonomously and exert influence over the environment. The intentionality assumption suggests that we look to the organization's distinctive self-view, manifest in its identity and goals, as a source of variation in its ability to respond to and act on the environment. Identity is an important source of heterogeneity that may explain why some organizations have a sense of purpose or mission that makes them resistant to dominant institutional logics, norms, or rules (Whetten 2006, Luckmann 2008). Goals, once instituted, may lead organizations to act in ways that are inconsistent with the dominant patterns that emerge in the organization's immediate environment. Thus, those organizational properties that distinguish them from other collective entities may also be indicators of the extent to which an organization resists and attempts to change its environment.

The following are some key metatheoretical questions that organizational scholars could ask themselves with regard to the environment and the organization as a social actor. What actor-like qualities of the organization are implicit in my theory of the environment? What aspects of the environment are, in some significant part, endogenous to the organizational actors themselves? What uniquely organizational (identity, strategy, goals) and uniquely environmental (technology, peers) factors are implied in my theory?

## 4.2. Organizational Decision Making

Decision making is an important function of organizations, although recently it has not been strongly emphasized in organizational theory (Gavetti et al. 2007). Much decision-making research decontextualizes the process from the organization altogether and assumes that decision making is largely a function of individuals (e.g., Sitkin and Weingart 1995). Our perspective calls for recontextualizing organizational decision making as a function of the organizational actor (cf. Johns 2006), focusing on the organization's unique properties as structuring elements of the decision process.

Organizational decision making is a process steeped in appeals to broader authorities, from which organizations gain their sovereignty and to which they are held responsible. For-profit firms, churches, and educational institutions each have different sources of authority. Their ability to compel members to comply with actions and to make decisions that hold weight in the eyes of the larger public is tied to these sources of authority. Decision making may be hampered by the limits of sovereignty that an organization faces; at times, decision makers may push the bounds of their own authority to act.

Closely related to this is the idea that organizations have unique intentional motivations that shape decisions. These motivations are such that decision-making criteria vary greatly across organizations. Sensitivity to the organization as a social actor is critical because it may fundamentally change the nature of decision making (cf. Heath and Sitkin 2001). For example, identity is a constant backdrop to organizational decision making. An organization's identity drives attention to certain issues and provides the language with which decision makers frame an issue (Dutton and Dukerich 1991). An organization's goals may also be a critical selection mechanism that helps decision makers sort issues by priority. In short, decision making scarcely happens in a vacuum but is fundamentally interwoven with enduring characteristics of the actor. Scholars ought to study how identity, goals, and the boundaries of authority shape decision making.

There are some important metatheoretical questions that should be considered when studying organizational decision making from an actor-perspective. Does my theory of decision making in organizations take into account the sovereign power and authority of the organization? Does my perspective frame decision makers as member-agents? To what extent do an organization's identity and goals affect decision-making in this context?

## 4.3. Organizational Heterogeneity

A focus on the organization as an actor should not be read as an assumption that all organizations can be treated uniformly; in fact, an actor-focused perspective inherently implies that there are differences between organizations and these differences manifest themselves

not just between different types of organizations (hospital versus car manufacturer) but also within seemingly similar organizational populations. By focusing so much on factors external to the organization, we may have inadvertently created blank stereotypes of organizations only loosely related to real organizations. In recent years, organizational scholars may be guilty of treating organizations in a "one-size-fits-all" fashion.<sup>9</sup>

Organizational scholarship, however, does not need a different theory for every kind of organization that exists. Instead, we suggest that an organizational perspective should focus on the unique features that distinguish different types of organizations. We need to pay attention to the distinguishing practices used by organizations. Strategy research of course has been highly attuned to differentiation (Barney 1991), but organizational theorists should also have much to say about this topic. We should seek to better understand the comparative differences and similarities that exist among the wide variety of organizations that proliferate, both between and within legitimate categories and between and within historical periods and geographical regions. In short, we suggest the need for a comparative framework that will enrich our understanding of the vast organizational landscape. A comparative framework of this sort might seek to explain variation not only in the kinds of organizational actors that exist but also in the temporal and historical variation in the actorness of organizations (i.e., explaining why some organizations are more capable of behaving like actors than others).

We provide two examples of how this kind of comparative research might be done. First, we could improve our understanding of the organization-level effects of identity and goals using comparative case studies to examine firms that face similar environmental circumstances (i.e., same industry, same competitors) but that make different choices. The work of old institutionalists provides an important model for this sort of comparative research (e.g., Selznick 1949). Second, we need more research explaining the *determinants of heterogeneity in actor qualities*, such as sources of authority and identity. Research at the nexus of organizational ecology and institutional theory has examined the formation of new categorical identities and implicitly compares distinct organizational forms (e.g., Rao et al. 2003, Lounsbury and Rao 2004), yet there is a noticeable dearth of research on the selection of identity differences at the organizational level. Whereas most scholars would not be surprised at the existence of key differences between organizations that fall in the same categories, we seem to lack the theoretical language to talk about these organizational differences, let alone explain their origin. Our call for an organizational perspective would encourage scholars to think about and theorize more carefully this within-category organizational heterogeneity.

The focus on organizations as heterogeneous actors then perhaps privileges the following types of meta-theoretical questions. What drives the selection of social identities? What organizational factors shape identity and goal differentiation? What organizational processes underlie identity change or emergence? How do organizations use institutional sources of authority to legitimate new ventures that differentiate them from other organizations in the same category?

#### 4.4. Extreme Cases

Extremes offer unique illustrations of how organizations indeed are social actors, semi-independent of the populations, and categories to which they might belong. Extreme cases punctuate the fact that organizations uniquely shape their destinies toward particular ends. Organizations often choose particular structures and practices that deviate from the norms and constraints of their environment, thereby creating new models for organizational behavior (Ingram and Clay 2000). At the extremes we then have organizations that transform institutions, which somehow appear to have more choice within environmental constraints, and that in effect create new institutions and categories that subsequently shape the activities of not just the focal organization but also its peers.

Most organizational theories are concerned with averages. For example, sociological theories concern themselves with organizations' normative responses to the environment, and economists' equilibrium-motivated theories also utilize methods that focus on sample averages (Baum and McKelvey 2006). However, focusing on unique organizational actors and sources of endogenous heterogeneity sensitizes us to extreme cases—to actors that may fall outside the typical patterns and norms of behavior. Extremes punctuate the fact that there is remarkable heterogeneity in organizational activity (Baum and McKelvey 2006), and explaining this heterogeneity, particularly at the very extremes, inherently requires treating the organization as a unique social actor. An alternative explanation of extreme cases of course is that an organization's actions are simply random (cf. Denrell 2004); though even in this case, how these organizational choices are made seems important to understand. Extreme cases, then, are especially interesting if we want to understand how actors define unique positions in their respective fields.

A focus on extremes privileges the following types of problems from an organizational actor perspective. First, rather than assume (or statistically throw) away differences within organizational populations, understanding what is happening at the far extremes might shed light on the organization as a unique actor. This approach may privilege more in-depth analysis of organizational activities. Second, and more generally, the extremes serve as a kind of litmus test and heuristic for the bounds of

those theories that have a heavy environmental focus. The following are some key meta-theoretical questions to consider. What explains the rare cases that do not fit modal patterns? In the examination of extreme cases, what unique and enduring traces of the organization as a unique social actor can be explicated? How do organizational identities and goals shape organizations' future choices to deviate from the norms of their populations or fields?

#### 5. Conclusion

We conclude by suggesting that there are clear advantages to conceptualizing the organization as a unique social actor. First, while extant theories of organization focus on individual aggregation or environmental instantiation, an actor perspective offers organizational scholars a unique analytical framework to make sense of the very domain in which we purport to be experts. Although organization science is interdisciplinary in its nature, as organizational scholars we ought to also have direct insights about what the organization is and how various processes (e.g., decision making) are shaped by its attributes (e.g., by an organization's identity). Second, organizations influence their environments in unique ways, and understanding an organization's actions requires us to more carefully consider the attributes that make this action possible. Developing better theories of action should have a discernible impact on our ability to make valuable contributions to the conversations about organizational agency and responsibility. Ironically, while the public searches for better ways of understanding corporate malfeasance and seeks practical means to encourage organizations to "act" more responsibly, organizational theorists have lost the vocabulary and conceptual tools to offer useful analysis of these problems. We believe that much can be gained by understanding how organizations deliberate and choose particular actions.

Our goal in this paper has been to offer a meta-theoretical discussion about the organization as a unique social actor. We hope that this paper sensitizes scholars to the qualities of organizational actors and that the arguments herein serve as a signpost for various theoretical perspectives to reconsider their assumptions about the organization. Our agenda in this paper is an effort to both narrow and broaden organizational theory. Our agenda is narrowing in that we hope to focus organizational research on the organizational actor. Research from a variety of theoretical perspectives may gain fruitful insights by shifting the lens to the organization. However, our agenda is broadening in that by focusing on the organization our research situates itself at a crucial social nexus. Organizations are actors that allow individuals to interface with their broader society, and organizations shape markets and communities in important ways.

Additionally, our approach forces us to ask fundamental questions: What constitutes an organization? What makes organizations unique and, by implication, what makes organizational theory unique? Thus, our agenda is not to focus too narrowly on a specific type of organization (or abstract all organizations as single type) nor on a specific theory; instead, we suggest that organizational scholars should survey organizations broadly and generate a comparative framework that allows us to contrast and compare organizations and to highlight the unique qualities of organizations as social actors.

### Acknowledgments

The authors thank the following scholars for helpful discussions and feedback related to arguments in this paper—Mike Lounsbury, Omar Lizardo, John Bingham, Marc Ventresca, Tim Gardner, Peter Madsen, and Curtis Lebaron.

### Endnotes

<sup>1</sup>The discussion of the unique qualities of the “organization” has been raised in the context of institutional theory. Some institutional scholars have in short argued that a return to “old,” less structural and more agentic, or actor-centered institutional theory is needed (Selznick 1996; Hirsch and Lounsbury 1997a, b; Kraatz and Block 2008).

<sup>2</sup>Scott picked up on Coleman’s notion of organizations as social actors. “Organizations are not only contexts influencing the activities of individuals—they are actors in their own right” (Scott 1998, p. 6). However, the open systems approach, commonly associated with Scott, sacrifices analytical precision at the organization level for causal explanation at the environmental level.

<sup>3</sup>Thanks to an anonymous reviewer for highlighting this point.

<sup>4</sup>Our emphasis differs significantly from the levels of analysis literature in that we take a less methodological approach and are more concerned with the meta-theoretical assumptions underlying organizational research. The levels of analysis literature focuses heavily on aggregational and statistical matters related to the emergence of collectives (Klein et al. 1994, Dansereau et al. 1999), whereas we are concerned with theorizing the unique properties of organizations that cannot be reduced to lower levels. Thus whereas the levels of analysis literature focuses on explanations of how individuals create organizations, which in turn aggregate to create systems or environments, we think it important to remember that organizations, once created, crystallize as entities with distinctive properties that are comparable to individuals in their ability to act and change the environment.

<sup>5</sup>Whetten (2006) uses the same logic in applying identity to organizations. Nelson and Winter (1982, Chapter 4) have effectively made the functional link between individual skills and organizational routines.

<sup>6</sup>Dennett (1987) argues, however, that a more complex thermostat that is designed to react to more stimuli and develop its own beliefs about the conditions of a room may, in fact, be intentional. “Suppose we also give our [thermostat] more behavioral versatility: it chooses the boiler fuel, purchases it from the cheapest and most reliable dealer, checks the weather stripping, and so forth. This adds another dimension of internal complexity; it gives individual belief-like states

more to do, in effect, by providing more and different occasions for their derivation or deduction from other states, and by providing more and different occasions for them to serve as premises for further reasoning. The cumulative effect of enriching these connections between the device and the world in which it resides is to enrich the semantics of its dummy predicates... the more we add, the richer or more demanding the semantics of the system, until eventually we reach systems for which a unique semantic interpretation is practically (but never in principle) dictated. At that point we say this device (or animal or person) has beliefs about heat and about this very room” (1987, pp. 30–31).

<sup>7</sup>We note, however, that most social movements consist of competing activist organizations that often have very different goals, use very different tactics, and lack compulsory mechanisms to ensure conformity of behavior among movement members (Soule and King 2008). The diversity of self-views in a social movement may be a typical feature of communities, in fact, that provides a strong contrast to the ideal typical organizational actor.

<sup>8</sup>This was a central emphasis of scholars such as Philip Selznick working in the old institutionalist tradition, who focused on issues such as the development of character, value, and rationalization (1949, 1996; also see Hirsch and Lounsbury 1997a, b; Kraatz and Block 2008). This research emanated from the Weberian tradition of locating the organization in a societal context as a driver of rationalization, modernization, and other social changes. But as others have argued, this Weberian tradition has largely been lost from organizational studies (Lounsbury and Carberry 2005).

<sup>9</sup>Lounsbury and Ventresca made a similar point: “[I]t is only in recent decades and among some theorists and empirical researchers that attention has narrowed from a focus on institutionally-rich studies of labor unions, schools, firms, government bureaus, social movement organizations, advocacy groups, nonprofit agencies, and sundry varied organizations, to a focus on formal organizations as abstract instrumentally-oriented entities operating in environments that are narrowly conceptualized as material resource spaces” (2002, p. 3).

### References

- Albert, S. 1977. Temporal comparison theory. *Psych. Rev.* **84** 485–503.
- Albert, S., D. A. Whetten. 1985. Organizational identity. *Res. Organ. Behav.* **7** 263–295.
- Alchian, A., H. Demsetz. 1972. Production, information costs, and economic organization. *Amer. Econom. Rev.* **62** 777–795.
- Amin, A. 2000. Industrial districts. E. Sheppard, T. J. Barnes, eds. *A Companion to Economic Geography*. Blackwell, Oxford, UK, 149–168.
- Argote, L., H. R. Greve. 2007. A behavioral theory of the firm—40 years and counting: Introduction and impact. *Organ. Sci.* **18**(3) 337–349.
- Astley, W. G., A. Van de Ven. 1983. Central perspectives and debates in organizational theory. *Admin. Sci. Quart.* **28**(2) 245–273.
- Barney, J. 1991. Firm resources and sustained competitive advantage. *J. Management* **17**(1) 99–120.
- Baron, J. N., M. T. Hannan, D. Burton. 1999. Building the iron cage: Determinants of managerial intensity in the early years of organizations. *Amer. Soc. Rev.* **64** 527–547.

- Baum, J., W. McKelvey. 2006. Analysis of extremes in management studies. D. J. Ketchen, D. D. Bergh, eds. *Research Methods in Management and Strategy*, Vol. 3. Elsevier, Boston, 123–196.
- Bauman, Z., T. May. 2001. *Thinking Sociologically*. Blackwell Publishers, Oxford, UK.
- Baumeister, R. F. 1998. The self. D. T. Gilbert, S. T. Fiske, G. Lindzey, eds. *Handbook of Social Psychology*. McGraw-Hill, Boston, 680–740.
- Bovens, M. A. P. 1998. *The Quest for Responsibility: Accountability and Citizenship in Complex Organisations*. Cambridge University Press, Cambridge, UK.
- Burke, P. J. 1980. The self: Measurement requirements from an interactionist perspective. *Soc. Psych. Quart.* **43**(1) 18–29.
- Chaves, M. 1994. Secularization as declining religious authority. *Soc. Forces* **72**(3) 749–774.
- Clegg, S., C. Hardy. 1996. Introduction: Organizations, organization, and organizing. S. Clegg, C. Hardy, W. R. Nord, eds. *Handbook of Organization Studies*. Sage, London, 1–28.
- Clemens, E. S. 2002. Invention, innovation, proliferation: Puzzles of organizational change. *Res. Soc. Organ.* **19** 397–411.
- Coleman, J. S. 1982. *The Asymmetric Society*. Syracuse University Press, Syracuse, NY.
- Coleman, J. S. 1990. *Foundations of Social Theory*. Belknap Press of Harvard University Press, Cambridge, MA.
- Coleman, J. S. 1991. Constructed organization: First principles. *J. Law Econom.* **7** 7–23.
- Cyert, R. M., J. G. March. 1963. *A Behavioral Theory of the Firm*. Prentice Hall, Englewood Cliffs, NJ.
- Czarniawska, B. 1997. *Narrating the Organization: Dramas of Institutional Identity*. University of Chicago Press, Chicago.
- Dansereau, F., F. J. Yammarino, J. C. Kohles. 1999. Multiple levels of analysis from a longitudinal perspective: Some implications for theory building. *Acad. Management Rev.* **24** 346–357.
- Davis, G. F., C. Marquis. 2005. Prospects for organization theory in the early twenty-first century: Institutional fields and mechanisms. *Organ. Sci.* **16** 332–343.
- Davis, G. F., K. A. Diekmann, C. H. Tinsley. 1992. The decline and fall of the conglomerate firm in the 1980s: The deinstitutionalization of an organizational form. *Amer. Soc. Rev.* **59** 547–570.
- Deci, E. L., R. M. Ryan. 1985. *Intrinsic Motivation and Self-Determination in Human Behavior*. Plenum, New York.
- Deephouse, D. L. 1999. To be different or to be the same? It's a question (and theory) of strategic balance. *Strategic Management J.* **20** 147–166.
- Demsetz, H. 1988. The theory of the firm revisited. *J. Law, Econom., Organ.* **4** 141–161.
- Dennett, D. C. 1987. *The Intentional Stance*. MIT Press, Cambridge, MA.
- Denrell, J. 2004. Random walks and sustained competitive advantage. *Management Sci.* **50** 922–934.
- Dewey, J. 1926. The historic background of corporate legal personality. *Yale Law Rev.* **35** 655–673.
- DiMaggio, P. J., W. W. Powell. 1983. The iron cage revisited: Institutional isomorphism and collective rationality in organizational fields. *Amer. Soc. Rev.* **48**(2) 147–160.
- Donaldson, L. 1995. *American Anti-Management Theories of Organization*. Cambridge University Press, Cambridge, UK.
- Dutton, J. E., J. M. Dukerich. 1991. Keeping an eye on the mirror: Image and identity in organizational adaptation. *Acad. Management J.* **34**(3) 517–554.
- Elster, J. 1989. *The Cement of Society: A Study of Social Order*. Cambridge University Press, New York.
- Fama, E. F. 1980. Agency problems and the theory of the firm. *J. Political Econom.* **88** 288–307.
- Fligstein, N. 2001. Social skill and the theory of fields. *Soc. Theory* **19**(2) 105–125.
- Fombrun, C. J. 1996. *Reputation: Realizing Value from the Corporate Image*. Harvard Business School Press, Boston.
- Fombrun, C. J., M. Shanley. 1990. What's in a name? reputation building and corporate strategy. *Acad. Management J.* **33** 233–258.
- Freeman, J., G. R. Carroll, M. T. Hannan. 1983. The liability of newness: Age dependence in organizational death rates. *Amer. Soc. Rev.* **48**(5) 692–710.
- Freese, J. 2009. Preferences and the explanation of social behavior. P. Hedstrom, P. Bearman, eds. *Oxford Handbook of Analytical Sociology*. Forthcoming.
- Galaskiewicz, J. 1991. Making corporate actors accountable: Institution building in Minneapolis–St. Paul. W. W. Powell, P. J. DiMaggio, eds. *The New Institutionalism in Organizational Analysis*. University of Chicago Press, Chicago, 293–310.
- Galbraith, J. K. 1967. *The New Industrial State*. Houghton Mifflin, Boston.
- Gavetti, G., D. Levinthal, W. Ocasio. 2007. Neo-Carnegie: The Carnegie School's past, present, and reconstructing for the future. *Organ. Sci.* **18**(3) 523–536.
- Gierke, O. 1922. *Political Theories of the Middle Age*. Trans. Frederic Maitland. Cambridge University Press, Cambridge, UK.
- Gilbert, M. 2000. *Sociality and Responsibility: New Essays in Plural Subject Theory*. Rowman and Littlefield, Lanham, MD.
- Gioia, D. A., M. Schultz, K. G. Corley. 2000. Organizational identity, image, and adaptive instability. *Acad. Management Rev.* **25**(1) 63–81.
- Goffman, E. 1959. *The Presentation of Self in Everyday Life*. Doubleday, Garden City, NY.
- Gold, N., R. Sugden. 2007. Collective intentions and team agency. *J. Philos.* **104** 109–137.
- Golden-Biddle, K., H. Rao. 1997. Breaches in the boardroom: Organizational identity and conflicts of commitment in a nonprofit organization. *Organ. Sci.* **8**(6) 593–611.
- Granovetter, M. S. 1994. Business groups. N. J. Smelser, R. Swedberg, eds. *The Handbook of Economic Sociology*. Princeton University Press, Princeton, NJ, 453–475.
- Hannan, M. T., J. Freeman. 1989. *Organizational Ecology*. Harvard University Press, Cambridge, MA.
- Hayek, F. 1945. The use of knowledge in society. *Amer. Econom. Rev.* **35** 519–530.
- Heath, C., S. B. Sitkin. 2001. Big-B versus big-O: What is organizational about organizational behavior? *J. Organ. Behav.* **22**(1) 43–58.
- Hirsch, E. L. 1990. Sacrifice for the cause: Group processes, recruitment, and commitment in a student social movement. *Amer. Soc. Rev.* **55**(2) 243–254.
- Hirsch, P. M., M. Lounsbury. 1997a. Ending the family quarrel: Toward a reconciliation of “Old” and “New” institutionalisms. *Amer. Behav. Sci.* **40**(4) 406–418.

- Hirsch, P. M., M. Lounsbury. 1997b. Putting the organization back into organizational theory: Action, change, and the “new” institutionalism. *J. Management Inquiry* **6**(1) 79–88.
- Hirschman, A. O. 1970. *Exit, Voice, and Loyalty; Responses to Decline in Firms, Organizations, and States*. Harvard University Press, Cambridge, MA.
- Ingram, P., K. Clay. 2000. The choice-within-constraints new institutionalism and implications for sociology. *Ann. Rev. Soc.* **26** 525–546.
- Ingram, P., A. Lifschitz. 2006. Kinship in the shadow of the corporation: The interbuilder network in Clyde River shipbuilding, 1711–1990. *Amer. Soc. Rev.* **71** 334–352.
- Jensen, M. C., W. Meckling. 1976. Theory of the firm: Managerial behavior, agency costs, and ownership structure. *J. Financial Econom.* **3** 305–360.
- Johns, G. 2006. The essential impact of context on organizational behavior. *Acad. Management Rev.* **31**(2) 386–408.
- Johnson, V. 2007. What is organizational imprinting: Cultural entrepreneurship in the founding of the Paris opera. *Amer. J. Soc.* **113** 97–127.
- Katz, E., P. F. Lazarsfeld. 1955. *Personal Influence: The Part Played by People in the Flow of Mass Communications*. Free Press, Glencoe, IL.
- Kaufman, J. 2008. Corporate law and the sovereignty of states. *Amer. Soc. Rev.* **73** 402–425.
- Klein, K. J., F. Dansereau, R. J. Hall. 1994. Levels issues in theory development, data collection, and analysis. *Acad. Management Rev.* **19** 195–229.
- Kogut, B. 2000. The network as knowledge: Generative rules and the emergence of structure. *Strategic Management J.* **21**(3) 405–425.
- Kraatz, M. S., E. S. Block. 2008. Organizational implications of institutional pluralism. R. Greenwood, C. Oliver, K. Sahlin-Andersson, R. Suddaby, eds. *The Handbook of Organizational Institutionalism*. Sage Publications, Thousand Oaks, CA.
- Laumann, E. O., D. Knoke. 1987. *The Organizational State: Social Choice in National Policy Domains*. University of Wisconsin Press, Madison, WI.
- Lawrence, P., J. Lorsch. 1967. Differentiation and integration in complex organizations. *Admin. Sci. Quart.* **12** 1–30.
- Leblebici, H., G. R. Salancik, A. Copay, T. King. 1991. Institutional change and the transformation of interorganizational fields: An organizational history of the U.S. radio broadcasting industry. *Admin. Sci. Quart.* **36**(3) 333–363.
- Lounsbury, M., E. J. Carberry. 2005. From king to court jester? Weber’s fall from grace in organizational theory. *Organ. Stud.* **26**(4) 501–525.
- Lounsbury, M., H. Rao. 2004. Sources of durability and change in market classifications: A study of the reconstitution of product categories in the American mutual fund industry, 1944–1985. *Soc. Forces* **82**(3) 969–999.
- Lounsbury, M., M. J. Ventresca, eds. 2002. *Social Structure and Organizations Revisited*. Elsevier, Oxford.
- Luckmann, T. 2008. On social interaction and the communicative construction of personal identity, knowledge, and reality. *Organ. Stud.* **29**(2) 277–290.
- Mael, F., B. E. Ashforth. 1992. Alumni and their alma mater: A partial test of the reformulated model of organizational identification. *J. Organ. Behav.* **13** 103–123.
- Mahoney, J. 2000. Path dependence in historical sociology. *Theory Soc.* **29** 507–548.
- Maitland, F. W. 1904. *State, Trust, and Corporation*. Oxford University Press, Oxford, UK, 2003.
- March, J. G., H. A. Simon. 1958. *Organization*. Wiley, New York.
- Markus, H. 1983. Self-knowledge: An expanded view. *J. Personality* **51**(3) 543–565.
- Mead, G. H. 1934. *Mind, Self, and Society*. University of Chicago Press, Chicago.
- Michels, R. 1949. *Political Parties*. The Free Press, Glencoe, IL.
- Mischel, W., C. C. Morf. 2003. The self as a psycho-social dynamic processing system: A meta-perspective on a century of the self in psychology. M. R. Leary, J. P. Tangney, eds. *Handbook of Self and Identity*. Guilford, New York, 15–44.
- Morgeson, F. P., D. A. Hofmann. 1999. The structure and function of collective constructs: Implications for multilevel research and theory development. *Acad. Management Rev.* **24**(2) 249–265.
- Nelson, R. S., S. Winter. 1982. *An Evolutionary Theory of Economic Change*. Harvard University Press, Cambridge, MA.
- Ocasio, W. 1997. Toward an attention-based view of the firm. *Strategic Management J.* **18** 187–206.
- Ocasio, W. 1999. Institutionalized action and corporate governance: The reliance on rules of CEO succession. *Admin. Sci. Quart.* **44**(2) 384–416.
- Olson, M. 1965. *The Logic of Collective Action; Public Goods and the Theory of Groups*. Harvard University Press, Cambridge, MA.
- Ouchi, W. G. 1980. Markets, bureaucracies, and clans. *Amer. Soc. Rev.* **25** 129–141.
- Perrow, C. 1961. The analysis of goals in complex organizations. *Amer. Soc. Rev.* **26**(6) 854–866.
- Perrow, C. 1979. *Complex Organizations: A Critical Essay*. Scott, Foresman, Glenview, IL.
- Perrow, C. 2002. *Organizing America: Wealth, Power, and the Origins of Corporate Capitalism*. Princeton University Press, Princeton, NJ.
- Pettit, P. 2003. Groups with minds of their own. F. Schmitt, ed. *Socializing Metaphysics*. Rowan and Littlefield, New York, 167–193.
- Pfeffer, J. 1993. Barriers to the advance of organizational science: Paradigm development as a dependent variable. *Acad. Management Rev.* **18** 599–620.
- Pfeffer, J., G. R. Salancik. 1978. *The External Control of Organizations: A Resource Dependence Perspective*. Stanford Business Books, Stanford, CA.
- Powell, W. W. 1991. Expanding the scope of institutional analysis. W. W. Powell, P. J. DiMaggio, eds. *The New Institutionalism in Organizational Analysis*. University of Chicago Press, Chicago, 183–203.
- Rao, H., P. Monin, R. Durand. 2003. Institutional change in Toqueville: Nouvelle Cuisine as an identity movement in French gastronomy. *Amer. J. Soc.* **108**(4) 795–843.
- Ravasi, D., M. Schultz. 2006. Responding to organizational identity threats: Exploring the role of organizational culture. *Acad. Management J.* **49** 433–458.
- Romzek, B. S., M. J. Dubnick. 1987. Accountability in the public sector: Lessons from the challenger tragedy. *Public Admin. Rev.* **47** 227–238.
- Rousseau, D. M. 1989. Psychological and implied contracts in organizations. *Employee Rights Responsibilities J.* **2** 121–139.
- Schneider, B. 1987. The people make the place. *Personnel Psych.* **40** 437–453.

- Scott, W. R. 1998. *Organizations: Rational, Natural, and Open Systems*. Prentice Hall, Upper Saddle River, NJ.
- Scott, W. R., J. W. Meyer. 1994. *Institutional Environments and Organizations*. Sage, Thousand Oaks, CA.
- Selznick, P. 1949. *TVA and the Grass Roots: A Study in the Sociology of Formal Organization*. Harper and Row, New York.
- Selznick, P. 1957. *Leadership in Administration*. Harper and Row, New York.
- Selznick, P. 1996. Institutionalism “old” and “new.” *Admin. Sci. Quart.* **41** 270–277.
- Sewell, W. H., Jr. 1992. A theory of structure: Agency, duality, and transformation. *Amer. J. Soc.* **98**(1) 1–29.
- Simon, H. A. 1945. *Administrative Behavior: A Study of Decision-Making Processes in Administrative Organization*. The Free Press, New York.
- Simon, H. A. 1969. *The Sciences of the Artificial*. MIT Press, Cambridge, MA.
- Simon, H. A. 1991. Organizations and markets. *J. Econom. Persp.* **5** 25–44.
- Sitkin, S. B., L. R. Weingart. 1995. Determinants of risky decision-making behavior: A test of the mediating role of risk perceptions and reality. *Acad. Management J.* **38**(6) 1573–1592.
- Soule, S. A., B. G. King. 2008. Competition and resource partitioning in three social movement industries. *Amer. J. Soc.* **113** 1568–1610.
- Stern, R. N., S. R. Barley. 1996. Organizations and social systems: Organization theory’s neglected mandate. *Admin. Sci. Quart.* **41** 146–162.
- Stevens, M. L. 2002. The organizational vitality of conservative protestantism. *Res. Soc. Organ.* **19** 337–360.
- Stinchcombe, A. L. 1965. Social structure and organizations. J. G. March, ed. *Handbook of Organizations*. Rand McNally & Company, Chicago, 142–193.
- Tollefsen, D. 2002. Organizations as true believers. *J. Soc. Philos.* **33**(3) 395–410.
- Tuomela, R. 2004. Group knowledge analyzed. *Episteme* **1** 109–127.
- Van de Ven, A., M. S. Poole. 1995. Explaining change and development in organizations. *Acad. Management Rev.* **20**(3) 510–540.
- Weber, M. 1947. *The Theory of Social and Economic Organization*. Free Press, Glencoe, IL.
- Weick, K. E. 1995. *Sensemaking in Organizations*. Sage Publications, Thousand Oaks.
- Weick, K. E. 1998. Improvisation as a mindset for organizational analysis. *Organ. Sci.* **9**(5) 543–555.
- Whetten, D. A. 2006. Albert and Whetten revisited: Strengthening the concept of organizational identity. *J. Management Inquiry* **15**(3) 219–234.
- Whetten, D. A., A. Mackey. 2002. A social actor conception of organizational identity and its implications for the study of organizational reputation. *Bus. Soc.* **41**(4) 393–414.
- Williamson, O. E. 1975. *Markets and Hierarchies, Analysis and Antitrust Implications: A Study in the Economics of Internal Organization*. Free Press, New York.
- Zenger, T. R., W. S. Hesterly. 1997. The disaggregation of corporations: Selective intervention, high-powered incentives, and molecular units. *Organ. Sci.* **8**(3) 209–222.
- Zuckerman, E. W. 1999. The categorical imperative: Securities analysts and the illegitimacy discount. *Amer. J. Soc.* **104**(5) 1398–1438.