

**International workshop 'Globalization and Circulation of Entrepreneurial
Models in Europe and Asia 2'**

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Paris Diderot University

**Embeddedness : some insights from
organizational institutionalism**

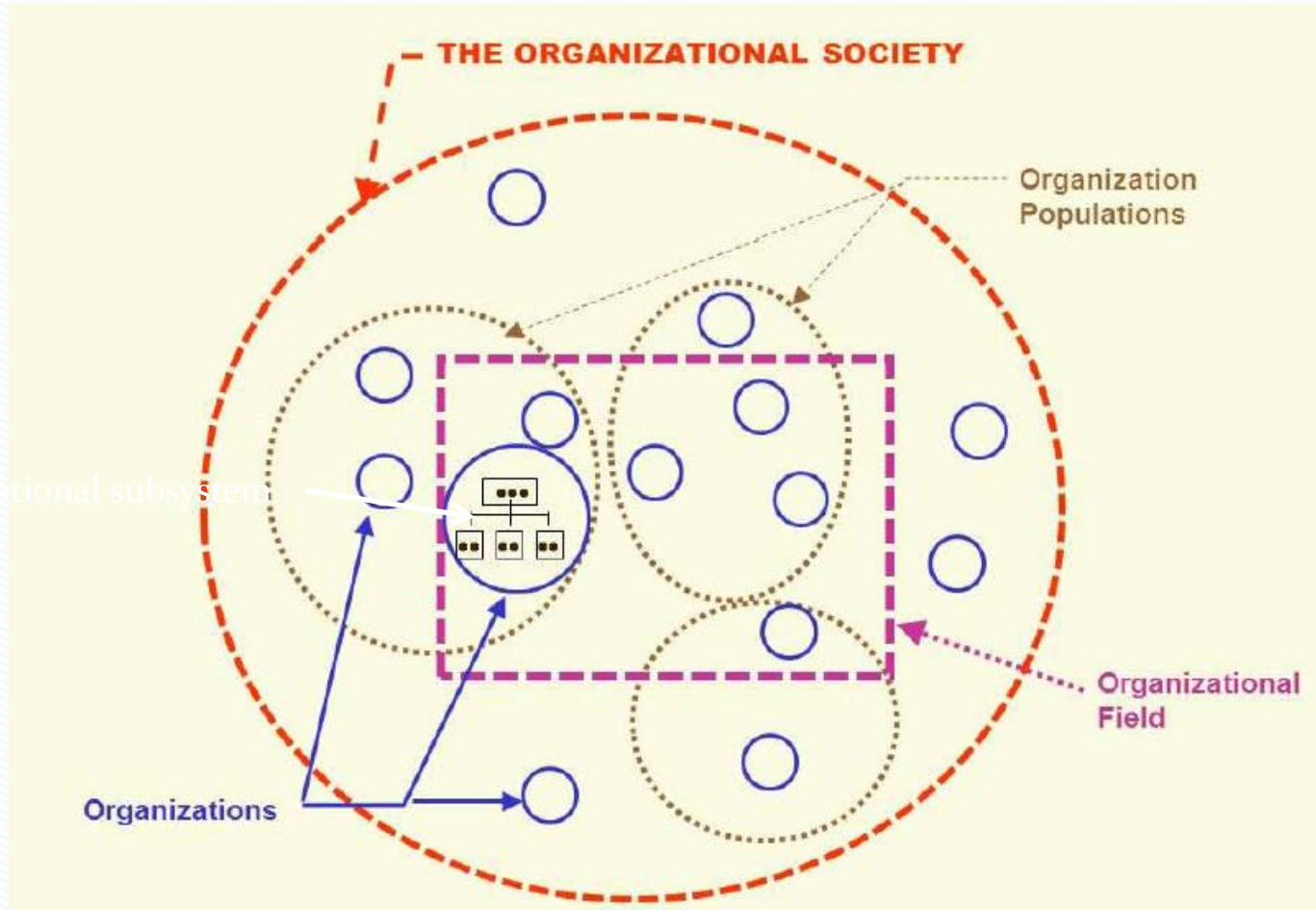
- 1. Main features of institutional theory**
- 2. Organizational field : definition and processes**
- 3. The embeddedness of the firm**

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1. Main features of institutional theory

- Main authors : *P. DiMaggio, W. Powell, W. Scott, C. Oliver, R. Suddaby, R. Greenwood...*
- A skepticism toward methodological individualism
- Organizational forces are shaped, mediated and channeled by the institutional environment
- Institutional theory could be applied at different levels

Levels of analysis commonly used in institutional theory



The most significant level for institutional theory: organizational field (Scott, 2008)



| Level | Example |
|---------------------------|-----------------------------------|
| World system | |
| Society | France |
| Organizational field | The financial sector |
| Organizational population | Corporate banks |
| Organization | Specific bank |
| Organizational subsystem | Department within a specific bank |

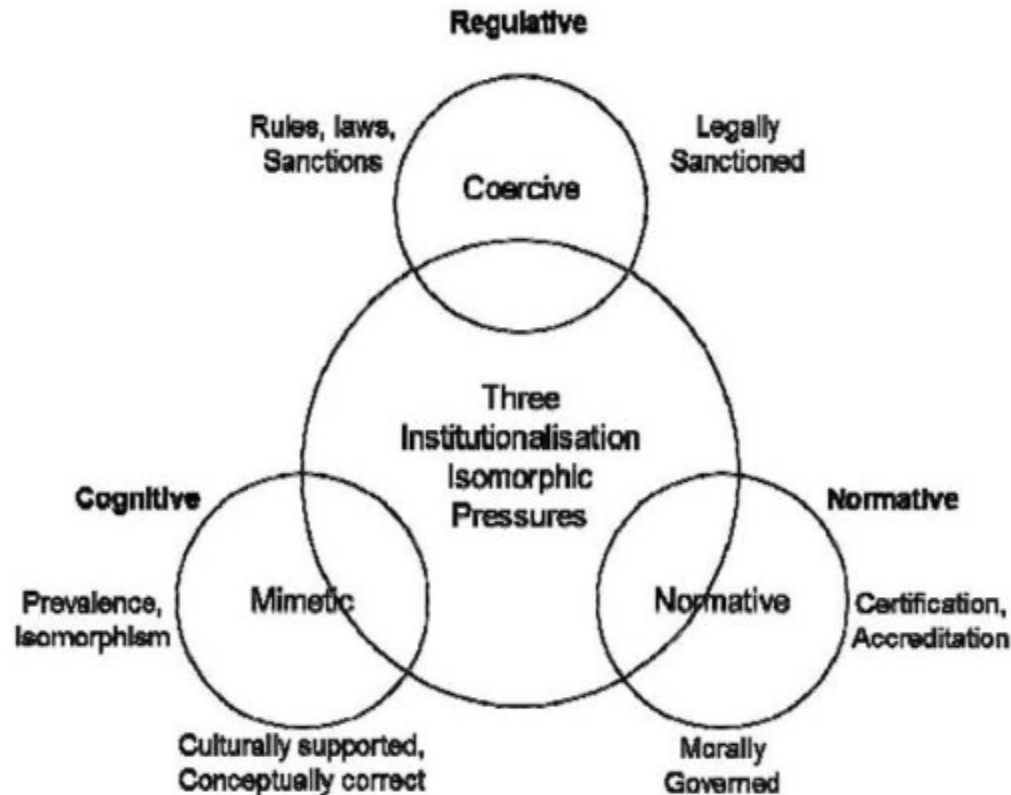
3. Organizational field: a definition

“Organizations that in the aggregate, constitute a recognized area of institutional life : key suppliers, resource and product consumers, regulatory agencies and other organizations that produce similar services and products” (DiMaggio & Powell, 1983)

“The notion of field connotes the existence of community of organizations that partakes of a common meaning system and whose participants interact more frequently and fatefully with one another than with actors outside the field” (Scott, 1994)

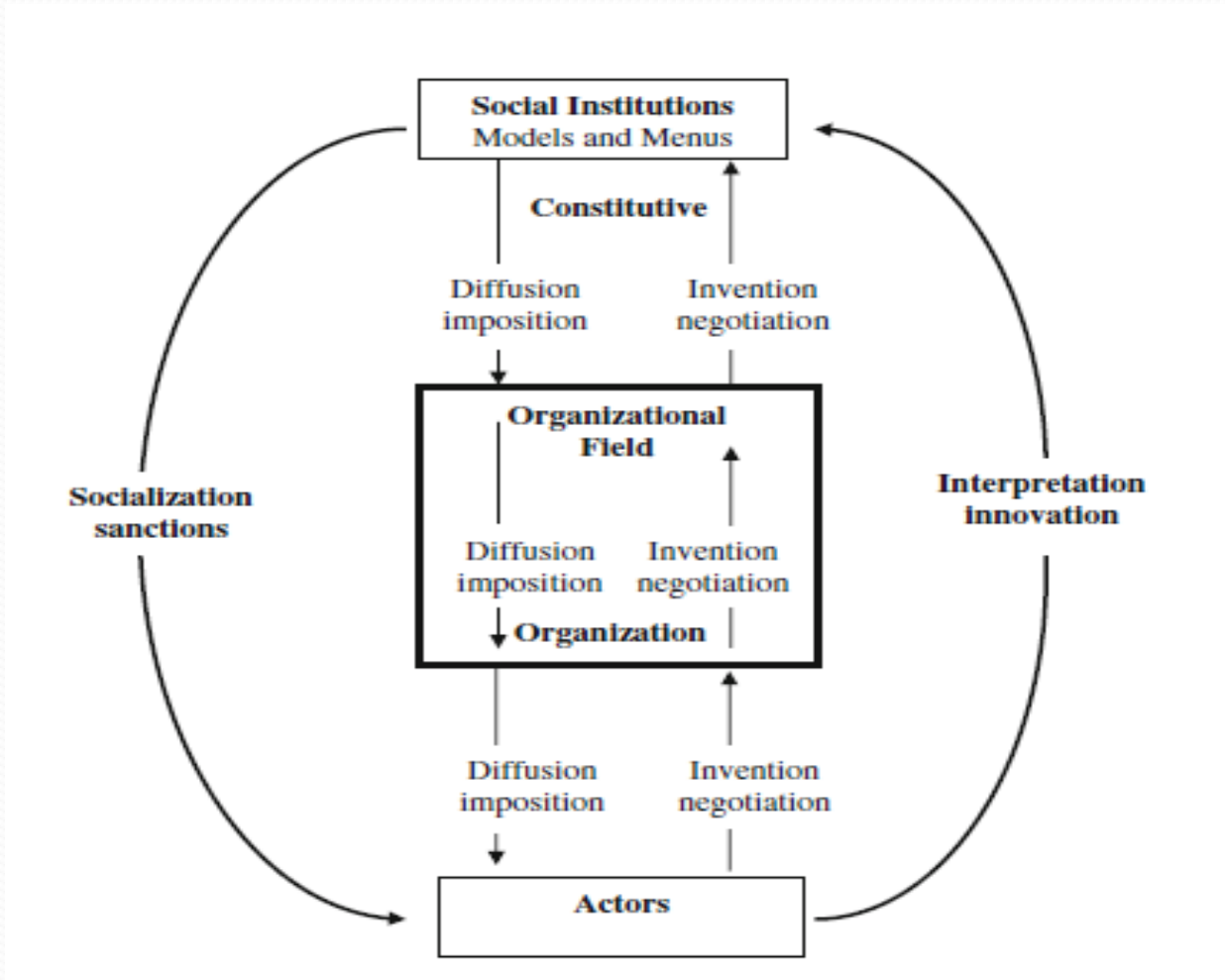
=> Organizational field is the domain where an **organization's actions are structured by the network of relationships in which it is embedded**

Processes involving organizational field (1)



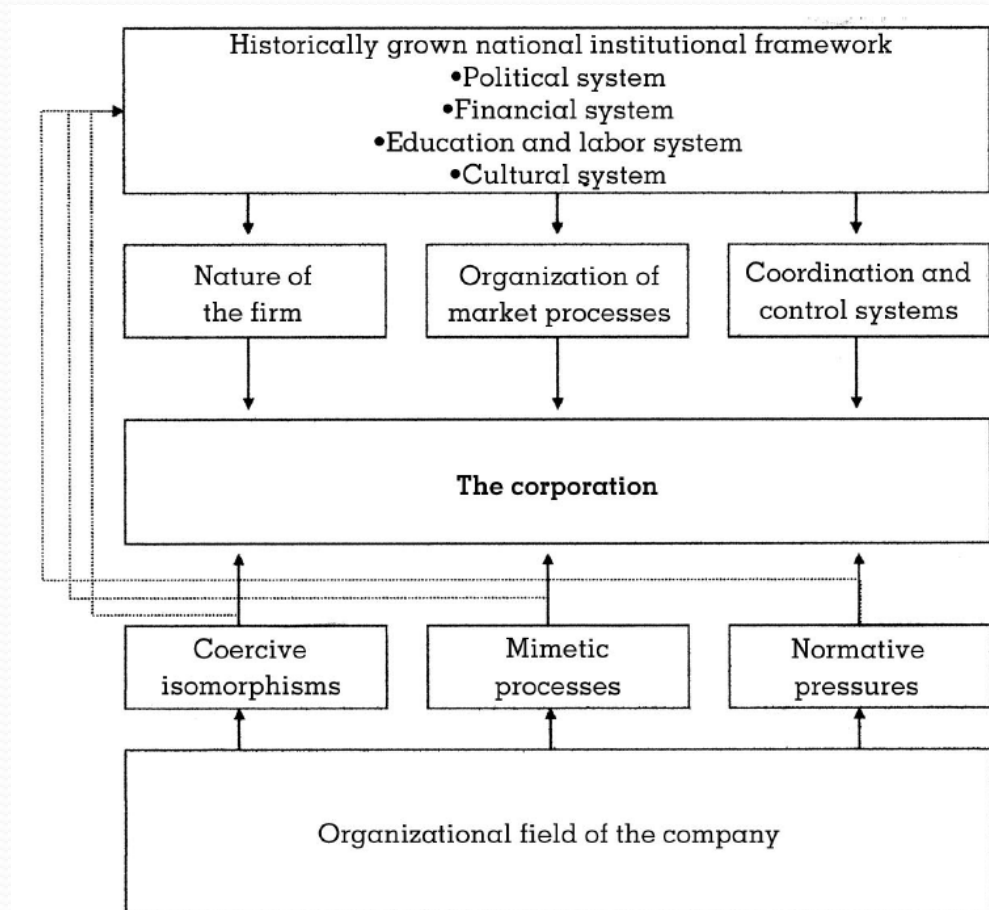
Three forces of isomorphism according to DiMaggio & Powell (1983)

Processes involving organizational field (2)



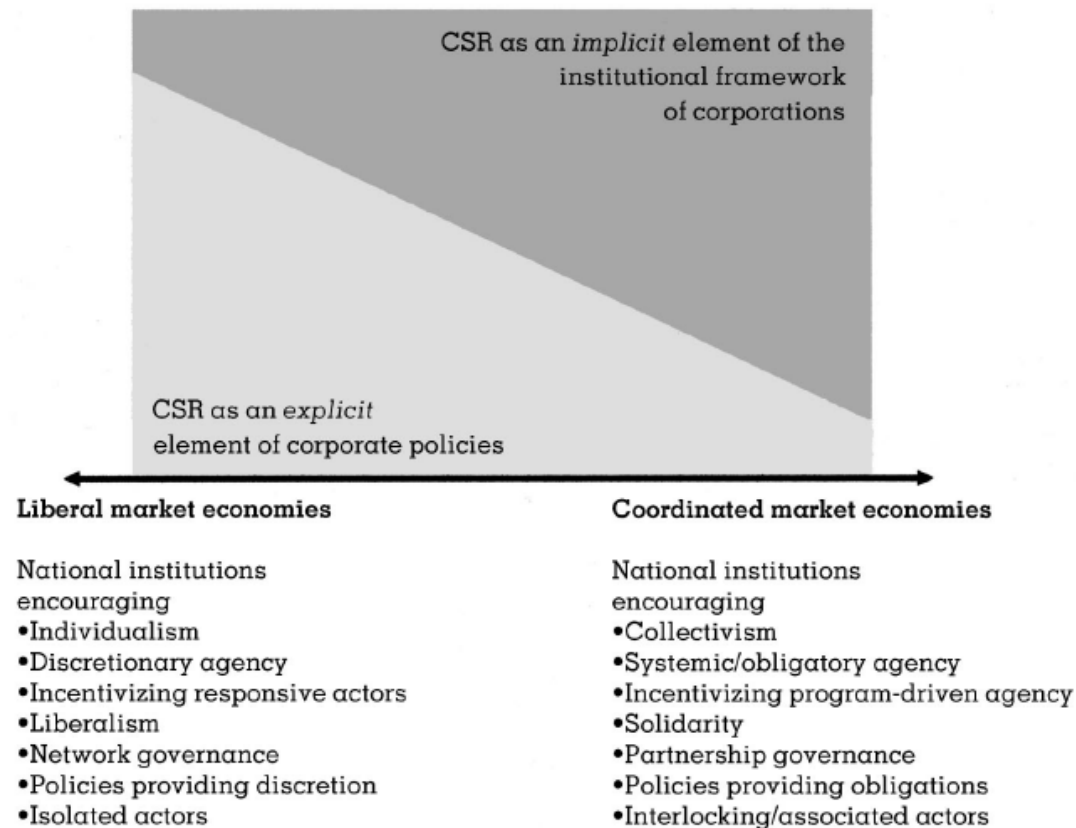
Source : Scott (2008)

3. The embeddedness of the firm



Source : Matten & Moon (2008)

Application : embedded corporate social responsibility



Source : Matten & Moon (2008)

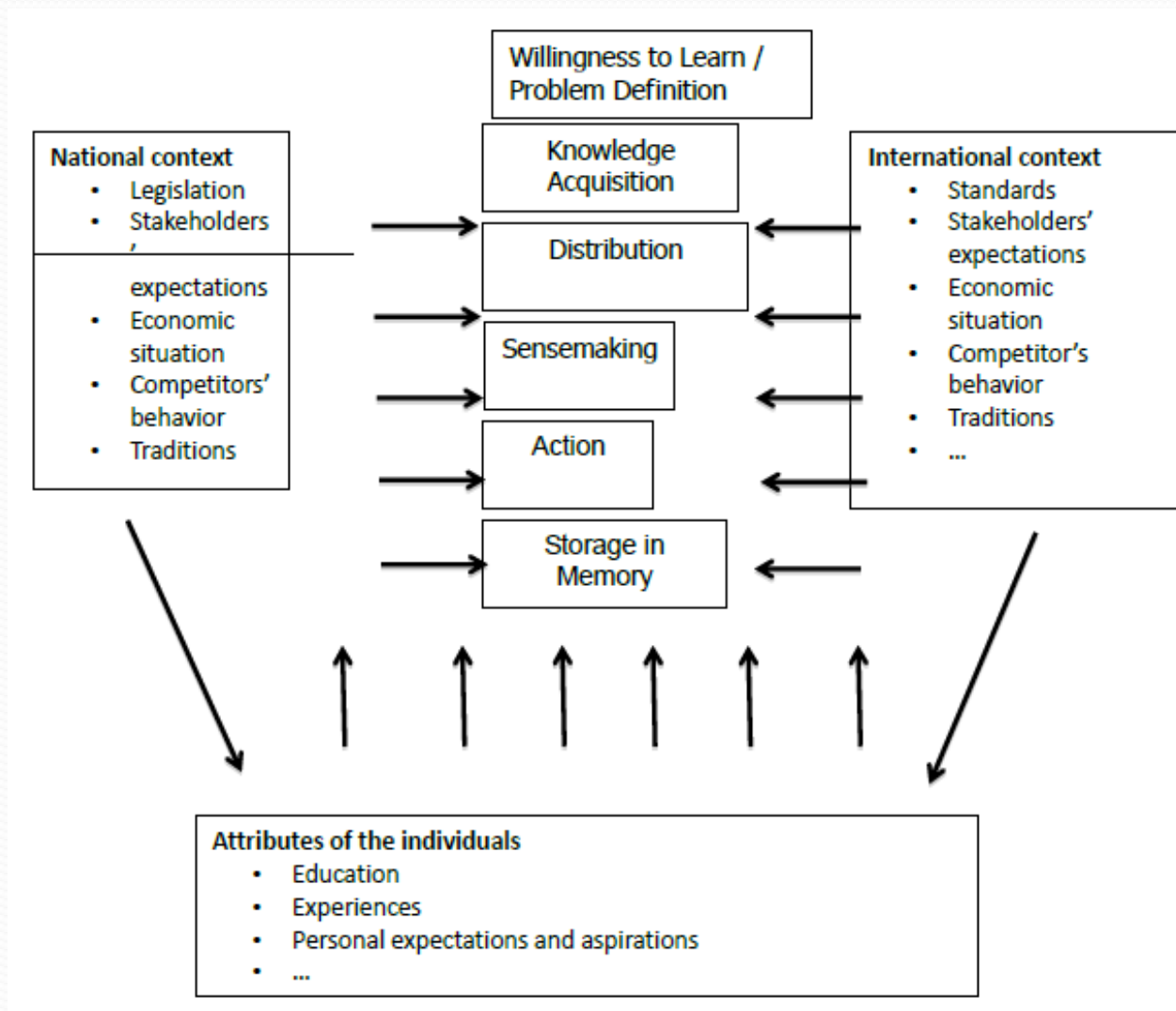
Explicit/implicit corporate social responsibility

| | Explicit CSR | Implicit CSR |
|--------------|---|---|
| Language | Use the language of CSR in communicating their policies and practices to their stakeholders. | Do not communicate their policies, practices and activities using the language of CSR. |
| Intent | Is the result of a deliberate, voluntary, and often strategic decision of a corporation. | Is not conceived of as a voluntary and deliberate corporate decision but, rather, as a reaction to, or reflection of, a corporation's institutional environment. |
| Codification | Codified norms, rules, and laws are drawn up that are described explicitly as CSR, by units and managers whose responsibility is CSR for the corporation. | Codified norms, rules, and laws are not conventionally described explicitly as CSR. It is the societal norms, networks, organizations, and rules that are explicit, rather than their implications for the social responsibilities of business. |

Source : Matten & Moon (2008)

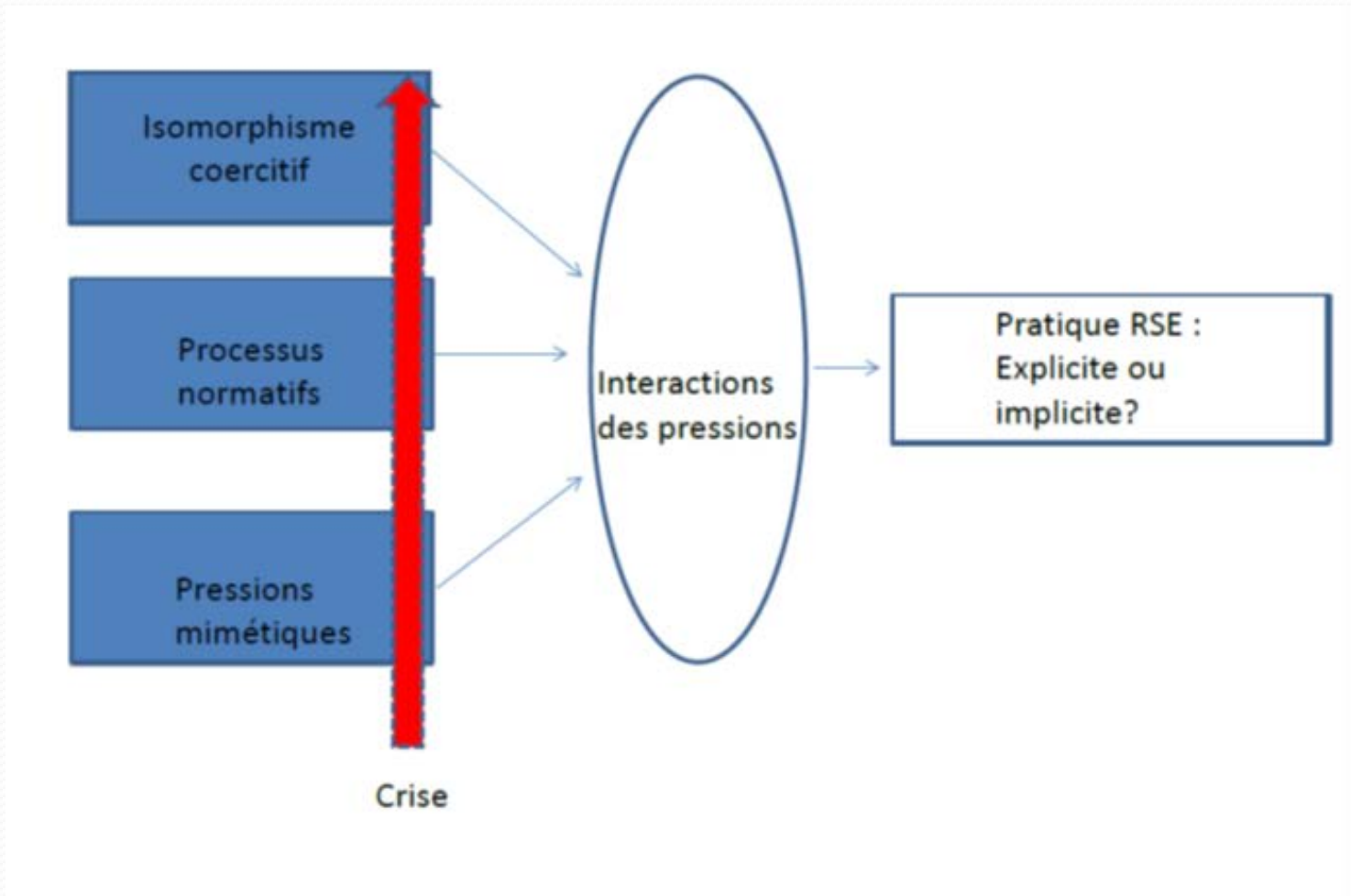
Extensions

1) Culturally embedded social learning



Source : Berthoin Antal & Sobczak (2013)

2) Isomorphism and crises



Source : Ben Rhouma & Koleva (2019)