

Professionals and Field Level Change

Institutional Work and the Professional Project

or

‘Why accountants will soon rule the world’



Roy Suddaby

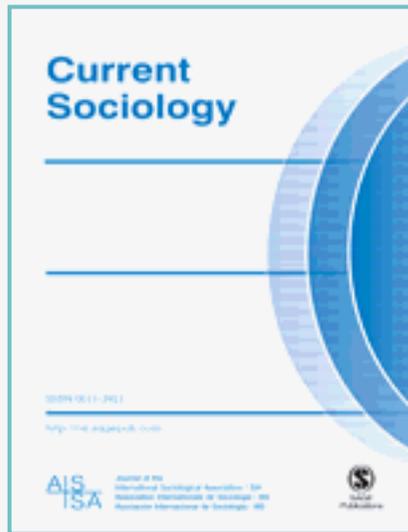
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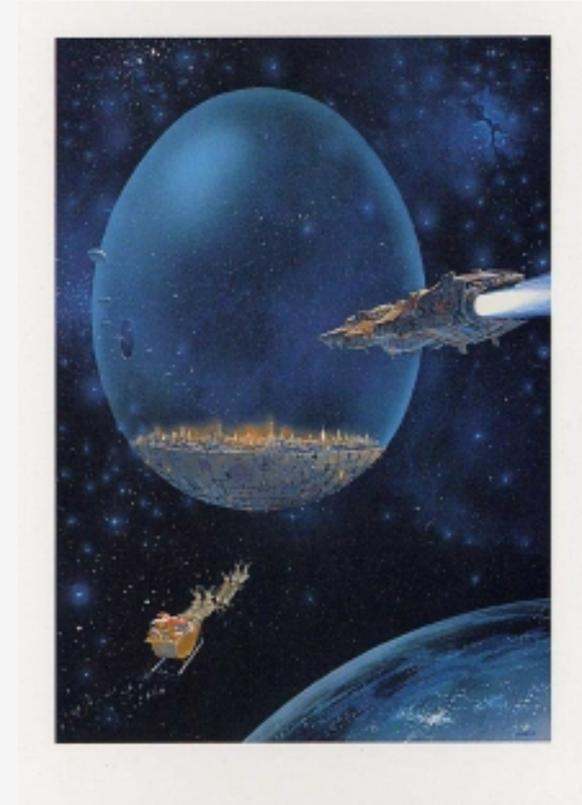
**PROFESSIONS AND
INSTITUTIONAL CHANGE**

**Guest Editors: Daniel Munzio (University of
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& Roy Suddaby (University of Alberta)**

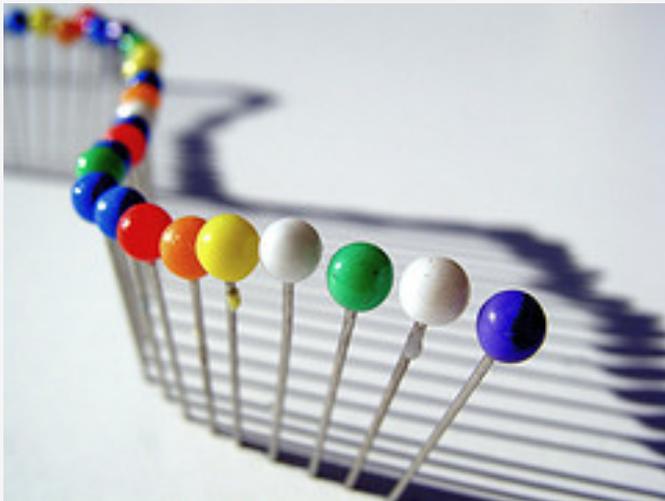
Deadline: December 31, 2010

Overview

1. How do fields change?
2. Professions and institutional change
3. Professional projects and institutionalization
 - a) Professions define field boundaries
 - b) Professions populate fields with actors
 - c) Professions create new rules or new games
 - d) Professions manage the reproduction and exchange of capital



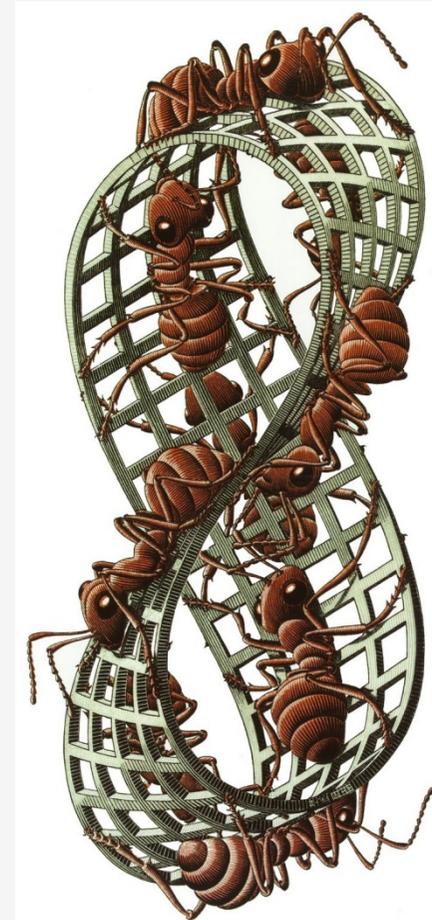
How do fields change?



- Δ Institutional theory explains why organizations engage in practices that defy economic rationality
- Δ They do so, because of the influence of *rationalized myths* ...
 - Meyer & Rowan, 1977
- Δ ... That spread quickly across organizational fields ...
 - DiMaggio & Powell, 1983
- Δ ...thus promoting high degrees of isomorphism or similarity

The paradox of embeddedness

- △ Thus, while institutional theory was a useful explanation of similarity and continuity, it was not so effective at explaining processes of change
- △ If actors are embedded in, or totalized by, institutions, how does institutional change ever occur?



One (possible) answer ... Institutional entrepreneurs



△ Institutional change occurs when actors who, because of their structural position within a field, or because of some unique social skill or power are able to resist institutional pressures:

- DiMaggio, 1988
- Greenwood & Suddaby, 2006

Critiques of this answer ...

△ Critics, however, argue that the idea of institutional entrepreneurs violates the logical integrity of the institutional story ...

- Suddaby, 2010

△ ... Because it relies on a *hypermuscular* actor or a *deus et machina* to offer an explanation

△ Instead, they suggest we need an endogenous explanation of institutional change



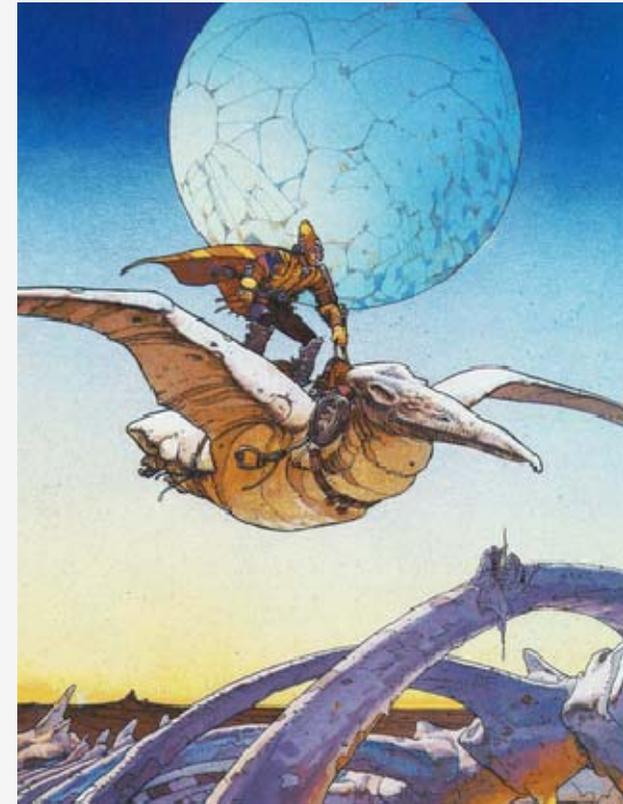
Institutional entrepreneurs are often professionals

△ DiMaggio & Powell, 1983

△ Scott & Meyer, 1983

△ Brint & Karabel, 1989

△ DiMaggio, 1991



DiMaggio, 1991: 268

- “...professionals were at the forefront of such debates, as scholarship about organizational professionals would lead us to expect. What is striking, however, is how little conflict occurred *inside* organizations and how much was played out *at the level of the field*. Professionals seem to have possessed a dual consciousness that enabled them to function as conservatives in organizational roles at the same time they used fieldwide organizations to launch attacks on the system that employed them.”

DiMaggio & Powell, 1983

- “A third source of isomorphic organizational change is normative and stems primarily from professionalization.”
- “Hypothesis B-5: The greater the extent of professionalization in a field, the greater the amount of institutional isomorphic change.”

Scott & Meyer, 1983

- “But most critical is the widespread development of and support for professional occupations in this society. As a corporate group, professionals in their associations demand and command discretion and control over programmatic and instrumental decisions falling within their claimed spheres of competence. These associations have enormous influence in the setting of product, service, and personnel standards in a wide variety of sectors (see Friedson, 1986: 185-208). And, as individual practitioners, professionals jealously guard their discretion over instrumental decisions. Thus we would argue:

H9 The more highly professionalized a sector, the more likely that instrumental and programmatic decisions will be decentralized.”

Brint & Karabel, 1989:

- “In contrast to models of structural change that see business and labor as the major social actors, the institutional approach, thus, accords an autonomous role to a third major social group – the full time professionals, typically unpropertied but highly educated, who have primary administrative responsibility in organizations. Our emphasis on the construction of organizational interests is therefore logically connected to a focus on the situation of the “new middle class” of professionals and managers as it bears on the definition of organizational interests.”

What we know ...

Professions ...

	DiMaggio	DiMaggio & Powell	Scott & Meyer	Brint & Karabel
1. ... are important agents of institutional change	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
2. ... promote isomorphic change	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. ... promote divergent change (i.e. decentralization)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4. ... promote stability within organizations but change at the level of the organizational field	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. ... promote change that protects their own interests	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

1. Professionals demarcate new uncontested spaces

- △ Professionals colonize new space as part of their jurisdictional boundary work
 - Abbott, 1988
 - Suddaby & Greenwood, 2001

- △ When professions expand they create a 'gold rush' by defining a new space for economic exchange
 - DiMaggio, 1991 – art museums
 - Rao et al, 2003 – nouvelle cuisine
 - Dezalay & Garth, 1996 – international mediation
 - Suddaby & Greenwood, 2005 – multidisciplinary firms

2. Professions populate the space with new actors

- △ Professionals can legitimate new types of occupational categories:
 - the personnel professional (Baron, Dobbin & Jennings, 1986)
 - The XYZ professional designation (Suddaby, Cooper & Greenwood, 2007)
 - The professional museum curator (DiMaggio, 1991)

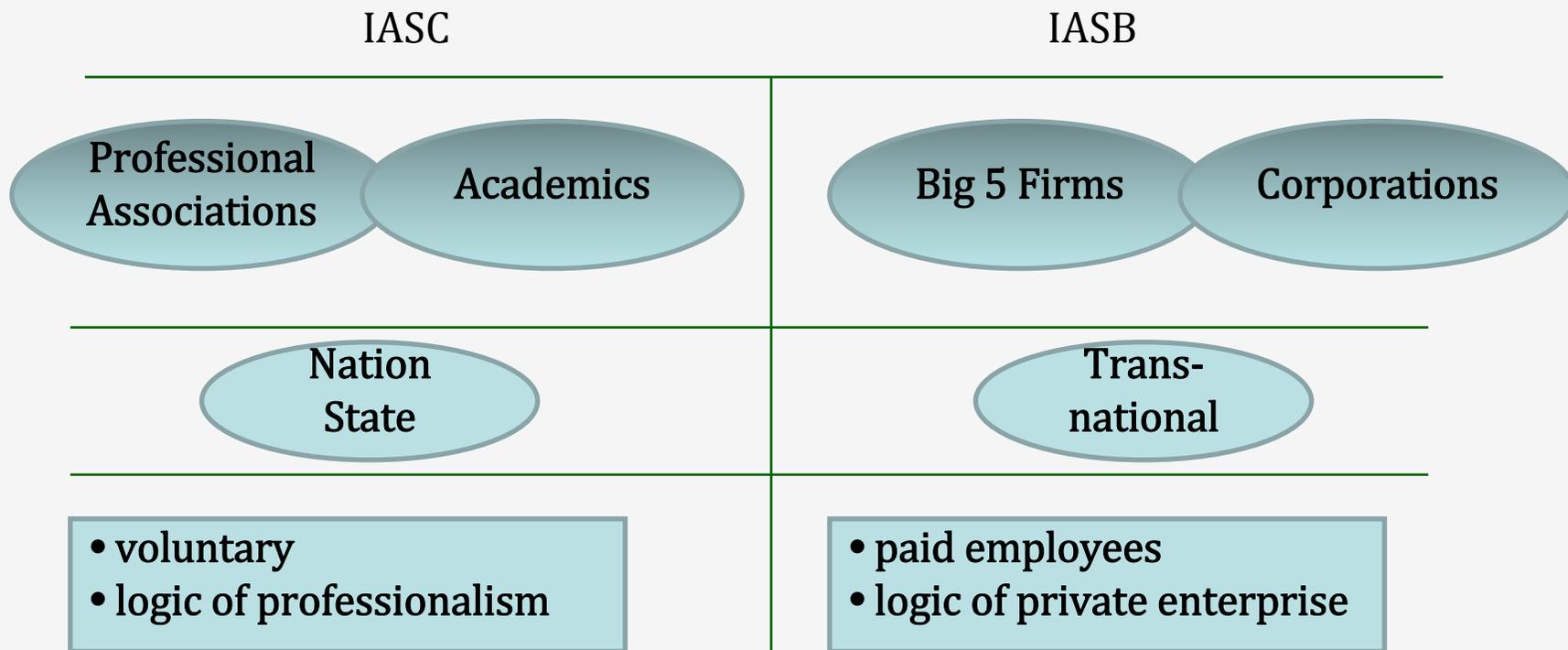
- △ Or they can use their power of legitimation to rehabilitate formerly illegitimate or marginalized actors as legitimate
 - Women and homosexuals as elite employees (Dobbin, 2009)

- △ Or they can take legitimacy away from existing actors and transfer it to new actors:
 - Hospital administrators (Arndt & Bigelow, 2006)

3. Professionals change the rules of the game

△ Often they create new governance structures:

- i.e. In accounting the shift from the IASC to the IASB



4. Professionals alter the reproduction of capital

- △ Professionals have 'social skill' (Fligstein, 1997) and status (Friedson, 2001)

- △ Because of this, they control the exchange of one form of capital into another (Bourdieu, 1977)

- △ That is they can change the logics of rational economic exchange
 - i.e. Art museums aren't about conspicuous consumption, they are based on a logic of enhancing public taste and education (DiMaggio, 1991)
 - Accounting isn't about professional discretion and professional associations, it's about transparency (Loft, Humphry & Turlick, 2006) and protecting private capital (Humphry & Loft, 2007, Suddaby et al 2007)
 - Universities aren't about creating informed citizens, they're about getting students professional jobs (Kraatz & Zajac, 1996)

An example: Transnational Accounting

1. Accountants define a global field
 - » seamless global services
2. They (try to) populate it with new actors
 - » Multidisciplinary firms
 - » The global business professional
3. They create new rules systems and new governance structures
 - » IASC replaces IASC
4. And create new logics of exchange
 - » Purpose of accounting is to promote and protect private global capital not to protect the interests of the nation state



How Accountants have changed the professional project

	Traditional Professionalism	Post Modern Professionalism
Exemplars	Law	Accounting
Reciprocal Project	Nation State	MNC's
Logic of Legitimacy	Normative	Technical
Key Organization	Pro Association	NGO
Objective	Monopoly	Market Leader

Conclusions

- Δ Professional projects contain within them, projects of institutionalization
- Δ The professional project, therefore, is an endogenous mechanism of institutional change
- Δ But the professional project can also be about resisting change – i.e. about *institutional maintenance*
- Δ Institutional projects rarely occur in isolation. Rather, institutions exist in ecological and strategic relationships with other institutions
 - i.e. law/nation state vs accounting/global corporations