INSTITUTIONAL CONTRADICTIONS, PRAXIS, AND INSTITUTIONAL CHANGE: A DIALECTICAL PERSPECTIVE

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We use a dialectical perspective to provide a unique framework for understanding institutional change that more fully captures its totalistic, historical, and dynamic nature, as well as fundamentally resolves a theoretical dilemma of institutional theory: the relative swing between agency and embeddedness. In this framework institutional change is understood as an outcome of the dynamic interactions between two institutional by-products: institutional contradictions and praxis. In particular, we depict praxis—agency embedded in a totality of multiple levels of interpenetrating, incompatible institutional arrangements (contradictions)—as an essential driving force of institutional change.

During the past two decades, institutional theorists have been able to offer more insights into the processes that explain institutional stability than those that explain institutional change (Barley & Tolbert, 1997; Clemens & Cook, 1999; Oliver, 1991; Scott, 1991). This has been due, in part, to the greater emphasis on how institutional pressures force organizations to adopt similar practices or structures to gain legitimacy and support (DiMaggio & Powell, 1983). In this context institutions have been variously defined as "socially constructed, routine-reproduced programs or rule systems" (Jepperson, 1991: 149) and "supra-organizational patterns of human activity by which individuals and organizations produce and reproduce their material substance and organize time and space" (Friedland & Alford, 1991: 243). If institutions are, by definition, firmly rooted in taken-for-granted rules, norms, and routines, and if those institutions are so powerful that organizations and individuals are apt to automatically conform to them, then how are new institutions created or existing ones changed over time (DiMaggio & Powell, 1991)?

Many researchers attempt to address this theoretical dilemma by tempering notions of institutional determinism with ideas of discretion and strategic compliance, rooted in interests. For example, Oliver (1991) notes that organizations are not always passive but, instead, respond to institutional pressures according to their resource dependencies. Similarly, Edelman (1992) found that organizations create departments and professional roles responsible for constructing the meaning of compliance with ambiguous institutional prescriptions, such as EEO laws, in ways that accommodate managerial interests. In their study of corporate ethics programs in the defense industry, Scully and Meyerson (1996) found that various interests influenced both the content and the mechanisms of legitimation, in a process marked by ambiguity, before more or less isomorphic practices emerged. Many other case studies suggest that power and interests play important roles in the evolution and/or change of organizational fields (e.g., DiMaggio, 1991; Leblebici, Salancik, Copay, & King, 1991).

The theoretical question of how institutions are created and changed would seem to be at least partially answered by incorporating the role of interest and agents into institutional theory. However, these attempts often directly contradict one of the most central assertions in in-
institutional theory—that actors and their interests are themselves institutionally constructed (DiMaggio & Powell, 1991). A growing body of literature advances this concern. Friedland and Alford (1991) oppose the depiction of actors as having objective, universal interests, arguing that both interest and power are institutionally shaped. Powell (1991) also argues that individual preferences and choices cannot be understood apart from the larger cultural setting and historical period in which they are embedded. Goodrick and Salancik (1996) contend that the direct incorporation of a strategic choice perspective into institutional theory risks discounting an essential premise of institutional theory: the social-fact quality of institutions. Likewise, Brint and Karabel (1991) have found that both the origin and the realization of agents’ interests are shaped and channeled by the forces of external and internal institutional arrangements, such as power structures, field opportunities, and ideological orientations.

The implied corrective—a renewed emphasis on the institutional embeddedness of interest and agency—leads to another dilemma, however: “How can actors change institutions if their actions, intentions, and rationality are all conditioned by the very institution they wish to change?” (Holm, 1995: 398). Addressing this theoretical paradox while discounting neither the active role nor the institutional embeddedness of agency and interests seems to be one of the central issues of current institutional arguments (Clemens & Cook, 1999; Hirsch & Lounsbury, 1997).

In this article we attempt to address this central paradox by employing and elaborating a dialectical framework for understanding institutional change that depicts the historical development of institutional contradictions and human praxis as the key mediating mechanisms linking institutional embeddedness and institutional change. Specifically, drawing upon Benson’s (1977) dialectical perspective, we identify concrete mechanisms that delineate how institutional arrangements create various inconsistencies and tensions within and between social systems (contradictions), how those contradictions transform the embedded social actors into the change agents of the very institutional arrangements, and how those contradictions further enable and foster the subsequent change processes. We also focus on theorizing a particular type of human agency—praxis, which is political action embedded in a historical system of interconnected yet incompatible institutional arrangements. Praxis may be a core concept for reconciling two seemingly incompatible properties of institutional theory: institutional embeddedness and transformational agency.

We believe that our framework provides an essential understanding of institutional change and, in particular, of the historical, dynamic, and complex processes that surround human agency in multifarious and fragmented institutional environments. These processes have not been adequately delineated in several recent efforts to explain institutional change (e.g., Barney & Tolbert, 1997; Greenwood & Hinings, 1996; Hirsch & Lounsbury, 1997). Adopting a dialectical framework also alerts us to the ways in which institutional formation and change are the outcomes of political struggle among multiple social constituencies with unequal power. This positions our theoretical concerns in the reemergent tradition of critical organizational analysis (e.g., Braverman, 1974; Burawoy, 1979, 1985; Edwards, 1979; Thompson, 1989). In this vein, we build on recent treatments that have highlighted the value of a critical perspective for institutional analysis in particular (e.g., Jermier, 1998; Oakes, Townley, & Cooper, 1998).

PARADOX IN INSTITUTIONAL THEORY AND A DIALECTICAL PERSPECTIVE

Recently, several authors have attempted to resolve the theoretical paradox of embedded agency by integrating either political insights from the “old institutionalism” or notions of structural dualism from structuration theory. For example, Hirsch and Lounsbury (1997) have asserted that, in general, institutional arguments have shifted away from the old institutionalism’s focus on agency and interests toward the new institutionalism’s focus on structural embeddedness, constitutive cognitive schema, and higher levels of abstraction. The result is the current overemphasis on structural constraint in institutional theory. To achieve a more balanced understanding, these authors advocate adopting theoretical insights from Giddens (1984) or Bourdieu (1988) that emphasize the mutually constitutive nature of structure and agency.

In this vein, Greenwood and Hinings (1996) provide a dynamic framework in which they
adopt insights from the new institutionalism to explain the normative contextual pressures that constrain organizational change and insights from the old institutionalism to explain intraorganizational political dynamics that produce change. Another example is found in Barley and Tolbert’s (1987) recursive process model of institutionalization, based on Giddens’ (1984) structuration theory, in which institutions are depicted as not only constraints on action but also as the objects of constant maintenance or modification through action. Barley and Tolbert break down the reciprocal relationship between institutions and actions into four sequential and researchable moments: (1) the encoding of institutional principles in actors’ scripts, (2) actors’ unreflective enacting of those scripts, (3) actors’ intentional efforts to revise the scripts or change their automatic replication of scripted behaviors, and (4) the objectification and externalization of the patterned behaviors.

Although each of these theoretical contributions are valuable attempts to reconcile the apparent contradictions between embeddedness and agency and between stability and change, all leave several important questions at best only partially answered. For example, in Greenwood and Hinings (1996), the two institutionalisms are hardly integrated and instead are conceptualized as two separate processes; one process, involving normative pressures operating in the institutional context, influences the other process—agents’ political action within organizations. When and how local agents change the institutional context itself is not the focus of their conceptualization.

Barley and Tolbert (1997) offer a conceptually more appealing theory, highlighting the mutually constitutive relationship between institutionalized scripts and the local reenactment and/or intentional revision of those scripted behaviors. However, they still leave an important theoretical dilemma unresolved: when and how do actors actually decide to revise behavioral scripts when their actions and thoughts are constantly constrained by the existing institutional system? In explaining institutional change, Barley and Tolbert propose, first, that a critical number of actors must make a collective, conscious choice before they can make a multilateral departure from established patterns of social reproduction (scripts) and, second, that a bigger contextual change (e.g., technological and economic shock) may be necessary before actors can make such a collective choice. However, their theorizing still does not extend to two important questions. First, where does the contextual change come from (e.g., from an idiosyncratic and exogenous or endogenous force)? Second, when and how do embedded actors individually and collectively come to that conscious choice point—presumably, a point where they recognize the need, the opportunities, and the appropriate courses for collective action for changing existing institutional arrangements? In this paper we use a dialectical framework to fill these theoretical gaps and to develop a more comprehensive theory of institutional change and action.

A dialectical perspective is a general view of social life that is abstracted from the Marxist analysis of social structure and its ramifications but is not limited to the specific categories and arguments of that analysis. Various authors adopting the Marxist analytical point of view have developed their own perspectives on dialectic, but Benson’s (1977) dialectical perspective is especially suited for an analysis of institutional arguments. Benson’s framework incorporates not only the viewpoints of several authors writing in the tradition of dialectical Marxism, such as Habermas (1971, 1973) or Lukacs (1971), but also the perspectives of phenomenological sociologists, especially Berger and Luckmann (1967), whose work provided the philosophical foundation of institutional theory (Scott, 1992). Moreover, his relatively simple framework is well attuned to the dialectical study of complex organizations. It focuses on the long-term, ongoing processes through which organizational arrangements are produced, maintained, and transformed:

A dialectical view is fundamentally committed to the concept of process. The social world is in a continuous state of becoming—social arrangements which seem fixed and permanent are temp-

1 The problem of agency-structure dualism persists in the writings of those who adopt the Marxist analytic point of view (Jermier, 1985, 1998). We are open to any dialectical point of view that discounts neither the constraining power of meaning structures on social actors nor the central role of free agency in social change (e.g., Habermas, 1971, 1973; Lukacs, 1971; Marcuse, 1968; Sartre, 1991). We adopted Benson’s framework (1977) in this paper simply because of its simplicity, inclusiveness, and applicability to institutional analysis.
porary, arbitrary patterns and any observable social pattern is regarded as one among many possibilities. Theoretical attention is focused upon the transformation through which one set of arrangements gives way to another (Benson, 1977: 3).

According to Benson (1977), four basic principles guide dialectical analysis: social construction, totality, contradiction, and praxis. First, social construction focuses on the social process through which orderly, predictable relations are produced and reproduced. Through human interactions, which are directed by people’s interests and power, social patterns are gradually built. Eventually, a set of institutional arrangements is established and continually reproduced.

Second, totality refers to the interconnectedness of these built-up social patterns. Any particular social structure is viewed not as an isolated, abstract phenomenon but, rather, as part of a larger whole composed of multiple, interpenetrating social structures operating at multiple levels and in multiple sectors. However, the linkages among the components are neither complete nor coherent. Instead, the component social structures that make up the whole are loosely coupled and more or less autonomous. In light of the ongoing processes of social construction and reproduction, the loose coupling between component social structures enables “divergent, incompatible productions” within the larger, interconnected system as a whole (Benson, 1977: 4).

Third, contradiction refers to these various ruptures and inconsistencies both among and within the established social arrangements. Ongoing social construction produces a complex array of contradictions, continually generating tensions and conflicts within and across social systems, which may, under some circumstances, shape consciousness and action to change the present order.

Finally, praxis is the free and creative reconstruction of social patterns on the basis of a reasoned analysis of both the limits and the potentials of present social forms. “People under some circumstances can become active agents reconstructing their own social relations and ultimately themselves” (Benson, 1977: 5–6). None of these four principles can be understood separately, but, taken together, they constitute an overall perspective on the fundamental character of social life.

These four dialectical principles can be directly applied to the analysis of institutional processes, as illustrated in Figure 1. Various institutions—organizations, organizational fields, or states—can be understood as the multi-level social arrangements that are continually produced and reproduced by social interactions (social construction). However, these ongoing, multilevel processes produce a complex array of interrelated but often mutually incompatible institutional arrangements (totality). Such institutional incompatibilities provide a continuous source of tensions and conflicts within and across institutions (contradiction). The ongoing experience of contradictory reality reshapes the consciousness of institutional inhabitants, and they, in some circumstances, act to fundamentally transform the present social arrangements and themselves (praxis). This dialectical per-

FIGURE 1
Institutionalization and Institutional Change: Processes from a Dialectical Perspective
SOURCES OF INSTITUTIONAL CONTRADICTIONS

We first propose four sources of contradictions that can arise over the long term as by-products of the processes of institutionalization: (1) legitimacy that undermines functional inefficiency, (2) adaptation that undermines adaptability, (3) intranstitutional conformity that creates interinstitutional incompatibilities, and (4) isomorphism that conflicts with divergent interests. From a dialectical perspective, the accumulation of these contradictions both within and between institutions provides the seeds of institutional change. We are not suggesting that all institutions always and immediately produce all four types of contradictions. Instead, we suggest that as certain social relationships and actions become institutionalized over a long period of time, they are likely to produce one or a combination of these four types of contradictions. From a dialectical point of view, these contradictions are the impetus that drives, enables, and constrains further institutional change.

Legitimacy That Undermines Functional Efficiency

One of the core premises of institutional theory is that organizational success depends on factors other than technical efficiency; organizations gain legitimacy and needed resources by becoming isomorphic with their institutional environments (DiMaggio & Powell, 1983; Meyer & Rowan, 1977). However, scholars have long predicted that conformity to institutional arrangements may conflict with technical activities and efficiency demands. Meyer and Rowan (1977) suggest that institutional rules, which tend to be categorical and general, are apt to conflict with the logic of efficiency, because technical activities require diverse and customized solutions. Zucker (1987) and Scott and Meyer (1991) maintain that organizational conformity to the institutional environment increases various rewards, such as reputation, resources, and survival chances, at the expense of efficiency. Likewise, Powell argues that "organizations adopt structures and practices that are in some respects suboptimal in order to gain needed resources" (1991: 190). And the size and persistence of this efficiency gap may increase with envi-
For the most part, institutional theorists have accommodated this contradiction between efficiency and legitimacy with the notion of the selective decoupling of formal structures from activities in the technical core (Meyer & Rowan, 1977). Such decoupling allows for an organization's ritual conformity to rationalized myths—the source of legitimacy and meaning—while enabling discretion in operational sectors of the organization. However, most discussions of the efficiency gap implicitly point to the questionable effectiveness of decoupling in protecting organizations from the accumulation of inefficiencies over the long run.

The recent crisis in the Korean economy provides an example. Contrary to Orru, Biggart, and Hamilton's (1991) argument that the institutional features observed in Taiwan and Korea have been critical to achieving both the legitimacy and the technical fitness of organizations, when the currency crisis hit many Asian countries in 1997, the Korean economy, which has been highly dependent on densely interpenetrating institutional arrangements, suffered a far more severe economic crisis than Taiwan, which has a more atomized market economy (Orru et al., 1991). The chronic, accumulated inefficiency, rooted in the tightly woven institutional arrangements among the government, banks, and corporations, is one of the fundamental causes of the economic crisis in Korea (Samsung Economic Research Institute, 1998). The institutional arrangements that were once credited with enabling the Korean economy to gain efficiency and resources have created a web of vulnerability that is now threatening the very foundation of the entire economy by accumulating inefficiencies within the social system.

In sum, the possibility of loose coupling notwithstanding, one source of institutional contradiction is the inefficiency produced by conforming to institutional arrangements. Even if institutionalized organizations make decisions that improve both legitimacy and technical efficiency in the short run, those decisions easily become suboptimal if new optimal solutions are not continually pursued and adopted. This raises the issue of how suboptimal practices and structures are perpetuated over time or how institutional arrangements prevent continuous pursuit of optimally efficient solutions, which leads us to the next source of institutional contradiction.

Adaptation That Undermines Adaptability

Certainly, institutional isomorphism that increases legitimacy is an adaptive move for survival. A widely noted paradox arises when such adaptive moves make adopters less able to adapt over the long run. Through a series of experiments, Zucker found that, once institutionalized, a structure or activity is maintained without further action: "Institutionalized elements become embedded in networks, with change in any one element resisted because of the changes it would entail for all the interrelated network elements" (1991: 105). Powell (1991) provides a similar account, suggesting that practices and structures come to be perceived as natural and legitimate and, thus, go unquestioned vis-à-vis alternatives. Efforts to change those shared expectations are often resisted, he argues, because "they threaten individuals' sense of security, increase the cost of information processing, and disrupt routines" (Powell, 1991: 194).

A similar theme is found even at the microindividual level of analysis. Cognitive psychology indicates that people develop various schemas to better process complex information. But once developed, these schemas become resistant to change, regardless of their usefulness (Bartunek & Moch, 1987; Fiske & Taylor, 1984). This resistance, in the form of taken-for-grantedness, is a fundamental attribute of institutionalization (Jepperson, 1991).

Economic interdependence is another reason institutions become maladaptive (Powell, 1991). When economic dependencies extend across organizational boundaries, common practices or procedures become resistant to change, despite considerable evidence that they are suboptimal. This is not only because the perceived benefits associated with familiarity easily outweigh the anticipated gains associated with flexibility but also because a considerable amount of economic resources are invested and "locked in." Path-dependent patterns of development (Arthur, 1989) and "competency traps" (Levitt & March, 1988) are good examples, in which initial technical choices preclude even those future options that would have been more effective in the long run. As adoption spreads, the technical in-
In sum, although institutionalization is an adaptive process, once in place, institutions are likely to be both psychologically and economically locked in and, in a sense, isolated from or unresponsive to changes in their external environments. This unresponsiveness creates a space where contradictions between those institutions and their external environments develop and accumulate over time.

**Intrainstitutional Conformity That Creates Interinstitutional Incompatibilities**

The dialectical concept of totality shifts our focus from intrainstitutional phenomena to the intricate ties between institutions and the larger societal context, a context consisting of multiple, interpenetrating levels and sectors. From this view, the ongoing production and reproduction of social interactions are carried out in many different locations, resulting in the more or less autonomous local production of multiple and incompatible institutional arrangements. Thus, conformity to certain institutional arrangements within a particular level or sector may cause conflicts or inconsistencies with the institutional arrangements of different levels or sectors.

Several institutional theorists have explored this source of contradictions. For example, Meyer and Rowan (1977) suggest that organizations are embedded in pluralistic institutional environments that are often imbued with sharply inconsistent prescriptions for action, all supported by rationalized myths. Thus, organizations tend to incorporate all sorts of incompatible structural elements, practices, and procedures in the search for legitimacy and stability. Friedland and Alford maintain that the major institutions of contemporary Western society—a capitalist market, the nuclear family, the bureaucratic state, liberal democracy, and Judeo-Christian religious traditions—have mutually interdependent and yet contradictory "central logics—sets of material practices and symbolic constructions—which constitute their organizing principles and which are available to organizations and individuals to elaborate" (1991: 256). For example, capitalist markets may depend upon families to minimize the costs of labor supplied, but, at the same time, labor market practices may weaken the family system, as seen in the current problem of work/family balance.

In one elaboration of this view, Scott and Meyer (1991) suggest that decentralized states increasingly exhibit functionally differentiated sectors whose structures are vertically connected, with lines stretching up to the central nation-state. However, the federalized authority at the national level makes control and coordination among differentiated sectors problematic, costly, and frustrating. These three factors—increasing heterogeneity between institutionalized sectors, increasing functional and structural interconnectedness among those sectors, and reduced ability to control and coordinating those sectors at the societal level—all imply that interinstitutional contradictions become an increasingly common part of contemporary social life.

For example, Cooper, Hinings, Greenwood, and Brown's (1996) case study of two Canadian law firms reflects a process through which such institutional contradictions become an increasingly common and important aspect of contemporary society. The process by which shifts in the wider institutional context alter the interpretation of organizational structures and systems represents a "sedimentation" where one institutionalized logic (e.g., professionalism) is layered on another (e.g., managerialism or bureaucracy), rather than a distinctive transformation where one logic sweeps away the residue of the other. This process results in sedimented structures and ideologies that provide resources for competing interests in institutionalization processes (reproduction or reconstruction). D'Aunno, Sutton, and Price (1991) and Meyerson (1994) also provide empirical evidence of the increasing penetration of interinstitutional contradictions into the day-to-day practices of contemporary organizations and its consequences. Clemens and Cook (1999) add that heterogeneity and incompatibility also can come from inside an institutional boundary—for example, through ongoing learning and innovation.

In sum, individuals and organizations are increasingly exposed to multiple and contradictory, yet interconnected, institutional arrangements and prescriptions—all of which are the inevitable by-products of the ongoing social construction of those institutions. Conforming to
certain institutional arrangements and the related taken-for-granted behavioral expectations may create inconsistencies and, eventually, incompatibilities with behavioral expectations stemming from institutional arrangements at different levels or in different sectors of society as a whole. More important for our task, developing a theory of human agency for institutional change, is the view that it is political processes that determine the appropriate relationships among contradictory institutions or which institutional logic should regulate particular social activities (Friedland & Alford, 1991).

Isomorphism That Conflicts with Divergent Interests

Proponents of a dialectical perspective see institutional arrangements as the products of political struggles among various participants who have divergent interests and asymmetric power. Thus, existing institutional arrangements are likely to reflect the ideas and goals of the more powerful political contestants in the social arena, while practices and structures often endure through the active efforts of those who benefit from them (Benson, 1977). In other words, the formation and reproduction of institutional arrangements are unlikely to satisfy the divergent interests of all participants, least of all those interests of the less powerful.

In a number of empirical investigations, researchers have found political contestation to be an important factor in the construction of contemporary institutional arrangements, such as corporate governance structures (Davis & Thompson, 1994), corporate systems of control over labor processes (Edwards, 1979), and labor market structures (Gordon, Edwards, & Reich, 1982; Stone, 1974). Covaleski and Dirsmith (1988) have shown that the institutionalization of a university budget category is infused with power and interest, both within the organization and in extraorganizational relations. Brint and Karabel (1991) have also found that community college administrators develop vocationalization agenda in such a way as to enhance their own status.

In sum, the formation and reproduction of social arrangements are basically political processes involving various participants who have divergent interests and unequal power. Proponents of dialectical view place a special empha-

sos on this source of contradictions: the fundamental misalignment between a particular form of social arrangement and the interests of diverse actors who enact, inhabit, and reproduce that social arrangement. Specifically, proponents view those actors whose ideas and interests are not adequately served by the existing social arrangements as potential change agents who, in some circumstances, become conscious of the institutional conditions that leave their needs unmet and take action to change the present order.

Although we have discussed the four sources of contradictions individually, we do not suggest that they are separate sources of contradictions. Rather, it is likely that they are highly interconnected as they unfold. For example, nonadaptability may create an environment in which efficiency gaps or interinstitutional incompatibilities are unrecognized and thus perpetuated. In the following sections we link these four sources of institutional contradictions to institutional change through the key mediating mechanism of praxis. Since either the ongoing reproduction or the change of institutional arrangements is the outcome of political contests among people with divergent interests and unequal power, a dialectical theory of agency has to show how these contradictions can give rise to a form of political action capable of challenging and transcending institutional constraints. A dialectical framework provides a unique theory of action—the theory of praxis—to explain social change in the midst of social embeddedness.

PRAXIS AS THE CORE MEDIATING MECHANISM OF INSTITUTIONAL CHANGE

A dialectical perspective embraces the view that institutional contradictions are the fundamental driving forces of institutional change, but not the assumption that these contradictions lead deterministically to such change. Instead, both the development and influence of contradictions are more or less specifiable probabilities, rather than inevitabilities (Heydebrand, 1977), and an important mechanism—human praxis—mediates between institutional contradictions and institutional change. Locating human praxis as a mediating mechanism recasts the idea that any social arrangement is socially constructed as the argument that a change in any social arrangement requires a social recon-
struction process by the inhabitants of that social structure. Praxis, as the foundation of such a reconstruction process, constitutes perhaps the most important piece of the puzzle in understanding institutional change processes—in particular, the dynamic relationships among institutional embeddedness, contradictions, actors, and institutional change (Benson, 1977). Here we explore the dialectical concept of praxis and its key underlying concepts: the partially autonomous social actor in a contradictory social world and the active exploiter of social contradictions. We then turn to identifying under what conditions and through what mechanisms particular forms of institutional contradictions can lead to particular components of praxis.

Jepperson (1991) has argued that institutional theory should distinguish between human behavior and action. Whereas human behavior contributes to the automatic reproduction of social arrangements, action entails a particular type of human behavior, involving conscious and purposeful departures from institutionalized social patterns (Jepperson, 1991). Adopting this notion of human action, we define praxis as a particular type of collective human action, situated in a given sociohistorical context but driven by the inevitable by-products of that context—social contradictions. The aim of praxis is "the free and creative reconstruction of social arrangements on the basis of a reasoned analysis of both the limits and the [latent] potentials of present social forms" (Benson, 1977: 5).

To be more specific, based on the Hegelian-Marxist tradition, the concept of praxis includes the following three components: (1) actors' self-awareness or critical understanding of the existing social conditions in which their needs and interests are unmet; (2) actors' mobilization, inspired by the new, collective understanding of their social conditions and themselves; and (3) actors' multilateral or collective action to reconstruct the existing social arrangements and themselves (Bernstein, 1971). As this definition suggests, praxis necessarily has both a reflective moment, involving the critique of existing social patterns and the search for alternatives, and an active moment, involving mobilization and collective action (Benson, 1977). The theoretical and practical possibility of the reflective moment relies on the concept of a partially autonomous social actor situated in a contradictory social world.

The Partially Autonomous Actor Situated in a Contradictory Social World

While highlighting the ways in which social context affects awareness, Benson also suggests that actors' consciousness is "partially autonomous" from the contexts in which the actors exist:

Sometimes they may [participate in the reproduction of existing arrangements] in an automatic, unreflective way; in other periods they may become very purposeful in trying to reach beyond the limits of their present situation in accordance with alternative conceptions of its purposes, structures, technologies, and other features (1977: 7).

Many institutional theorists have advanced a similar view of actors, since their attempts to explain the role of agency and interests in institutional change have required relaxing the assumption that all the means and ends available to agents are institutionally conditioned. "Loose coupling" (Powell, 1991), "incomplete institutionalization" (DiMaggio, 1988), "nested systems" (Holm, 1995), and "mutability" (Clemens & Cook, 1999) all are examples of concepts that have been introduced by institutional theorists to provide working space and autonomy for interests and agency. However, an important question remains unresolved: under what conditions do socially embedded, unreflective actors become conscious of the social arrangements in which their interests are unmet, mobilize other similarly situated actors, and take collective action for change? In short, how does praxis become possible?

A dialectical perspective provides a clear answer: the likelihood of praxis increases as contradictions within and across social systems develop, deepen, and permeate actors' social experience. Although actors can become reflective at any time, the likelihood of a shift in collective consciousness that can transform actors from passive participants in the reproduction of existing social patterns into mobilized change agents increases when actors continually and collectively experience tensions arising from contradictions in a given sociohistorical context (Benson, 1977).
Emirbayer and Mische (1998) make a similar argument regarding the conditions under which partially autonomous actors become active change agents. They conceive of social action as composed of a combination of three temporally rooted action orientations: (1) the past-directed, "iterational" orientation fosters unreflective, habitual behaviors that play a role in institutional reproduction; (2) the future-directed, "protective" orientation enables the imagining of alternative social configurations, informed by a knowledge of multiple existing arrangements; and (3) the present-directed, "practical-evaluative" orientation enables pragmatic judgment about the viability of imagined alternatives given present constraints. All of these action orientations—like notes in a chord—are found to varying degrees in any social action, but one or another note will define the key in which action occurs. Changes in key—from unreflective participation in institutional reproduction to imaginative critique of existing arrangements to practical action for change—may occur, Emirbayer and Mische argue, when actors face problematic situations that require a reflective distance from past patterns and allow for greater imagination and conscious choice (1998: 973).

Therefore, this concept indicates that the development of social contradictions is a necessary driving force for praxis, because contradictions enable a shift in partially autonomous social actors' collective consciousness from a unreflective and passive mode to a reflective and active one. However, this shift in collective consciousness is only one necessary element in praxis. A theory of praxis still needs to explain how social actors, once they have become reflective and active change agents, mobilize both the other actors and the resources required to bring about social change. In answer to this, a dialectical perspective offers another conceptualization of human agency—that of the social actor as an active exploiter of social contradictions—which fills in the rest of the praxis story.

Active and Artful Exploiters of Institutional Contradictions

Benson (1977) argues that praxis involves not only the reflective critique of existing social arrangements but also the active mobilization of institutional inhabitants in the reconstruction of social arrangements through the use of alternative institutional logics of action and systems of meaning found in the larger heterogeneous social world. A growing number of institutional theorists provide a similar view that the nexus of multiplicity and incompatibility in the social world is an important locus of institutional change, because social actors are active and artful exploiters of those social contradictions.

For example, Friedland and Alford (1991) argue that although institutions constrain both the means and ends of action, human beings are artful in mobilizing different institutional logics to serve their purposes. Sewell (1992) argues that social actors are capable of applying, transposing, and extending a wide range of different and even incompatible cultural schemas to new contexts. Whittington (1992) also suggests that human agency for social change entails the active exploitation of the tensions and conflicts between divergent structural principles and rules derived from the wider society. The cases of the diffusion of grievance procedures (Friedland & Alford, 1991), of corporate philanthropy (Galaskiewicz, 1991), of work computerization (Prasad, 1993), and of gay and lesbian employee advocacy for changes in human resource policies (Creed & Scully, 1998; Creed, Scully, & Austin, in press) are among the numerous examples that demonstrate how artfully agents adopt and use the alternative institutional logics available in the broader societal context to achieve their political purposes.

Putting these insights together, we see that the dialectical concept of praxis implies that human agency for institutional change is inseparable from institutional contradictions. Institutional contradictions may not only trigger the shift in actors' collective consciousness but also may provide alternative logics of action and psychological and physical resources to be mobilized, appropriated, and transposed in the process of institutional change. This dialectical concept of human agency provides a theoretical basis for more concrete predictions on how the four types of institutional contradictions identified above may affect the social reconstruction processes involved in institutional change.

INSTITUTIONAL CONTRADICTIONS, PRAXIS, AND INSTITUTIONAL CHANGE

In this section we identify concrete and predictable ways in which institutional contradic-
tions may trigger, enable, and limit praxis for institutional change. Our goal is not to develop a comprehensive linear causal model, for such a model could by no means capture the complex dynamics possibly involved. Instead, we attempt to illustrate several conceptually important relationships among particular types of institutional contradictions and particular components of praxis. We highlight particular linkages in a series of elaborations of a general framework recursively linking institutionalization to institutional contradictions, praxis, and institutional change.

**Misaligned Interests and Potential Change Agents**

From a dialectical perspective, the seed of institutional change grows out of one of the core sources of institutional contradictions—the fundamental misalignment between the existing social arrangements and the interests and needs of actors who constitute and inhabit those very arrangements. This sets the stage for the emergence of potential institutional challengers from the population of actors whose interests and ideas are not adequately served by the existing order. Therefore, we predict that the degree to which an institutional arrangement is misaligned with the interests and needs of its participants—in terms of both the number of actors whose interests are not adequately served by the institutional arrangement and the degree to which those interests are not met by the institutional arrangement—will be positively related to the probable emergence of praxis by affecting who will arise as change agents (see arrow a in Figure 2A).

Greenwood and Hinings (1996) take this view, suggesting that one potential pressure for institutional change is the extent to which groups are dissatisfied with how their interests are accommodated within an organization. Leblebici and his colleagues (1991) also argue that institutional change is likely to be initiated by less powerful participants or parties from the periphery of an interorganizational field, because they pay a lower cost for changing the existing order and they are also less likely to be sanctioned by more central, powerful players. Numerous empirical examples attest to both the idea that misaligned interests provide a fundamental impetus for institutional change (e.g., Brint & Karabel, 1991; Davis & Thompson, 1994; Holm, 1995)

![FIGURE 2A](image)

**Institutional Contradictions and the Emergence of Potential Change Agents**

- **Institutionalization**
  - Institutional contradictions
    - Inefficiency
    - Nonadaptability
    - Interinstitutional incompatibilities
    - Misaligned interests
  - Praxis
    - Collective action
      - Actor mobilization
      - Reflective shift in consciousness
      - Potential change agents
  - Institutional change

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and the idea that alternative practices and structures are likely to emerge from the margins or interstices (Morrill, in press). This discussion leads to our first proposition.

**Proposition 1:** The presence and degree of misaligned interests increase the likelihood and the scope of praxis for institutional change by generating potential change agents.

### Institutional Contradictions and the Reflective Shift in Collective Consciousness

A dialectical perspective neither discounts the notion that interests cannot be understood apart from their historical and institutional context nor underestimates the potentially powerful constraining forces of existing social structures. Instead, it regards the objective circumstances in which actors' interests are not adequately met as the necessary but insufficient condition for praxis (Benson, 1977). The strength of existing institutional constraints on participants' thoughts and behaviors will largely influence both the likelihood that those institutional inhabitants will achieve a critical perspective on disadvantageous social arrangements and the form their critical understanding will take. Various concepts speak to the power of institutional arrangements to shape participants' beliefs, understandings, and behaviors, or the degree to which the participants are psychologically and economically locked in. These concepts include the "capacity" of institutional arrangements (Clemens & Cook, 1999), the extent of tight coupling (Greenwood & Hinings, 1996), or the degree of embeddedness (Uzzi, 1997). Such notions are encompassed by one particular type of institutional contradiction framed above: nonadaptability.

We propose that nonadaptability—the extent to which institutional arrangements are deeply embedded and tightly coupled—is a situational variable that fundamentally conditions two possible ways in which the reflective shift in collective consciousness may unfold. One way is through the gradual reshaping of consciousness from within the institutional context; the other is through revolutionary disruption from outside. The greater the nonadaptability, the less likely the reflective shift in collective consciousness, when it arises, can proceed gradually; instead, it may largely depend on revolutionary disruption from outside. Below we treat these two paths in two separate elaborations of our recursive model.

**Gradual reshaping of consciousness from within.** In some cases, when institutional arrangements are neither deeply embedded nor tightly coupled (see dotted arrow in Figure 2B), the constant experience of problematic situations stemming from other institutional contradictions may naturally and gradually lead institutional inhabitants to a critical understanding of and disengagement from their past patterns of behavior and social reproduction (Benson, 1977; Emirbayer & Mische, 1998). This disengagement can be either individual or collective. One possible result is what has been called "deinstitutionalization" or "dissipation," a process in which the legitimacy of an institutionalized practice gradually erodes (Oliver, 1992).

Both efficiency gaps and interinstitutional incompatibilities can be linked to gradual shifts in institutional inhabitants' consciousness and deinstitutionalization. First, the ongoing experience of an efficiency gap can be one trigger of the critical reflection necessary for praxis (see arrow b in Figure 2B). Oliver (1991) and Roberts and Greenwood (1997) suggest that organizations are likely to engage in both the critical evaluation of current practices or institutional arrangements and the search for alternatives when those institutionalized practices begin to conflict with the economic criteria of efficiency and effectiveness. For example, Kraats and Zajac (1996) found that when faced with strong market-based pressures in the early 1970s, liberal arts colleges showed a gradual but obvious pattern of disengagement from highly institutionalized norms, as seen in the vocationalizing of their curricula.

Second, the degree of subjective exposure to multiple, incompatible institutional arrangements may also facilitate such a gradual shift in actors' consciousness (see arrow c in Figure 2B). Clemens and Cook (1999) argue that exposure to multiple institutions may facilitate a change in actors' consciousness such that the relative dominance of some institutional arrangements is no longer seen as inevitable. Oliver (1992) also suggests that actors' experience of normative fragmentation—a loss of consensus among social actors on the meanings and interpretations they attach to their daily lives—will increase the vulnerability of certain institutional ar-
Institutional Contradictions and Gradual Shift in Collective Consciousness Under Conditions of Weak Nonadaptability

Proposition 2: Under conditions of weak nonadaptability, efficiency gaps and interinstitutional incompatibility increase the likelihood of praxis for institutional change by gradually undermining the perceived inevitability of institutional arrangements.

Revolutionary disruption from outside. From a dialectical perspective, a more common way in which institutional contradictions facilitate shifts in actors' collective consciousness is by causing an abrupt disruption of the existing social order through institutional crisis. Benson (1977) suggests that some contradictions produce crises by undermining the ongoing reproduction of social arrangements, which increases the possibilities for praxis. A number of dialectical and institutional scholars support this view. For example, Edwards (1979) found that new forms of corporate control over labor processes have emerged as a consequence of crises in firm operations brought on by intensifying conflict between management and labor. Powell (1991) suggests that the major institutional actors in the United States began to consider and implement alternative forms of work organizations when they faced a serious economic crisis in the late 1970s and early 1980s. Based on the study of the spread of diversification strategies in American industry, Fligstein (1991) maintains that some form of shock in the organization's field is a necessary, although not sufficient, impetus for institutional change. However, none of these treatments have offered adequate explanation of what gives rise to institutional crisis and how institutional crisis facilitates institutional change (Hoffman, 1999).

A dialectical perspective provides important theoretical insights for addressing both questions. Most important, proponents of this perspective view institutional crisis as a systematic outcome of institutional contradictions rather than as an idiosyncratic event. Here we propose two concrete paths through which institutional
contradictions produce institutional crisis. First, the accumulated efficiency gap stemming from conformity to suboptimal institutional arrangements may create institutional crisis in the long run (see arrow a in Figure 2C). As discussed earlier, institutional crisis is especially likely when the accumulation of institutionally rooted inefficiencies reaches the point where decoupling the technical core from institutional practices becomes an inadequate or infeasible response. Such a crisis may not affect organizations or actors individually because they are tightly interconnected with each other through institutional arrangements. Instead, as the recent crisis of the Korean economy exemplifies, it may occur like a systemic disaster, suddenly shaking up and jeopardizing the whole set of actors involved.

Second, interinstitutional incompatibilities may also cause institutional crisis (arrow b in Figure 2C). Latent interinstitutional contradictions become manifest threats to the existing institutional arrangements when the boundaries between heterogeneous institutions are relaxed (Powell, 1991). Seen in light of the interconnectedness implied by the dialectical concept of totality, sudden changes in governmental regulation and deregulation (Edelman, 1992; Scully & Meyerson, 1996) or technological innovation (Tushman & Anderson, 1986) can look more like the consequences of interinstitutional incompatibilities unfolding in different sectors of the larger institutional field than like idiosyncratic, exogenous events.

In a dialectical framework, the role of institutional crisis in driving institutional change becomes critical when the capacity of the existing institutional arrangement to constrain its participants' thoughts and behaviors is strong (see arrow c in Figure 2C). In this case, strong nonadaptability may, in the short run, prevent institutional inhabitants from behaving outside the prescriptions of the existing order, whereas taken-for-granted approaches may make other types of problem solving unimaginable. However, in the long run, strong nonadaptability renders institutional arrangements increasingly vulnerable to external shocks by insulating the participants from critical information that exists beyond the institutional boundary (Uzzi, 1997) or by making them less motivated to actively respond to it (Arthur, 1989; Levitt & March, 1988).

**FIGURE 2C**
Institutional Contradictions and Gradual Shift in Collective Consciousness Under Conditions of Strong Nonadaptability

![Diagram showing institutionalization process](image-url)
Thus, strong nonadaptability may ultimately bring about institutional crises by exacerbating the predictable results of accumulated inefficiencies vis-à-vis the broader economic systems (arrow d in Figure 2C) and/or accumulated incompatibilities with other powerful institutions (arrow e in Figure 2C). Once induced, institutional crisis may break down the institutional embeddedness, make the institutional system highly unstable (DiMaggio & Powell, 1991), and allow a radical shift in actors' collective consciousness (arrow f in Figure 2C).

Such a process is consistent with Greenwood and Hinings' prediction that "radical change in tightly coupled institutional fields will be unusual, but when it occurs, it will be revolutionary" (1996: 1030). Similarly, in his research on corporate environmentalism, Hoffman (1999) found that disruptive events and crises in an interorganizational field played an important role in driving institutional change by thrusting social actors into periods of upheaval and bringing to a sudden end the practices that had been locked in by institutional inertia. Davis and Thompson (1994) also argue that a takeover wave in the 1980s disrupted the long-standing managerialist status quo by putting the discrepancies between the interests of managers and shareholders in a new light, thus giving rise to the shareholder rights movement and ultimately enabling the radical departures from the institutionalized patterns of shareholder participation. This leads to our third proposition.

**Proposition 3:** Under conditions of strong nonadaptability, efficiency gaps and interinstitutional incompatibility, mediated by institutional crisis, promote praxis for institutional change by creating the conditions for the revolutionary breakdown of institutional inertia.

### Institutional Contradictions and Mobilization for Reconstruction

Once a group of social actors reaches a critical understanding of both the limits and potentials of the present institutional arrangements, they may begin searching for new possibilities and mobilizing other actors for the reconstruction of alternative social arrangements (Benson, 1977). The processes of creating new social structures necessarily involve two subprocesses. One is developing alternative models of social arrangements, which have been variously labeled schemas, scripts, templates, and logics of action in the organizational literature. The other is mobilizing resources for political action in challenging existing structures and advocating and enacting new social arrangements.

According to the literature on social movements and resource mobilization (e.g., Gamson, 1992; McAdam, McCarthy, & Zald, 1988; Snow & Benford, 1992), the former process—developing and deploying alternative frames and models—is particularly crucial for successful social reconstruction, because actors must use such frames and models to justify their goals and actions if they are to mobilize commitment and resources for political action. This points to a critical question: how do institutional change agents—predictably, marginalized or less powerful participants within the existing institutional arrangements—develop and deploy alternative logics and frames in a way that they can overcome the limits of the present institutional arrangements and effectively mobilize the commitment and resources of other participants for reconstruction?

The dialectical concept of social actors as active exploiters of institutional contradictions, discussed above in detail, provides important theoretical insights for answering this question. It suggests that institutional change agents are unlikely to invent totally new frames or logics of action unfamiliar to other participants, because to do so would make it difficult and costly to gain consensus and support from those participants. Instead, agents are likely to adopt a frame or set of frames available in the broader, heterogeneous institutional context—a frame that is sufficiently incompatible with the existing institutional arrangements to generate a fundamental departure from the past while also sufficiently resonant with some existing societal systems of belief to mobilize substantial support and resources from other participants. Similarly, Clemens and Cook (1999) argue that no institution is created entirely anew; instead, institutions are created and transformed within socially accepted frames or models. Thus, they suggest that an important challenge for institutional entrepreneurs is to embed their change
initiatives within frames or models available in the broader society.

In light of these comments, it appears that a fundamental feature of praxis is the selective adoption and deployment of available institutional logics that legitimize and mobilize political action against incommensurate institutional logics. Further, the degree to which praxis will succeed may hinge on the ability of actors to adopt and customize a potent or resonant frame for directing and mobilizing collective action (Snow & Benford, 1992). However, adopting and adapting the most resonant frames—those with the greatest mobilizing potential—from the many available at a given time and in a given society are complex and artful tasks. Both social movement and institutional scholars have emphasized the importance of social actors’ “assets” (Gamson, Fireman, & Rytina, 1982) or institutional entrepreneurs’ “social skills” (Fligstein, 1997a,b) for mounting successful challenges to existing institutional arrangements. While not ignoring the possibility that such skills are widespread among social actors (Sewell, 1992; Whittington, 1992), scholars such as Benson (1977) and Strang and Meyer (1993) emphasize the critical role of “expert theorizers” and intellectual elites in the drama of praxis, because of the high level of reflexivity, complexity, and creativity involved. In particular, Benson (1977) calls for organizational scholars’ active engagement in both critiquing present social and organizational forms and searching for new possibilities.

Although many institutional scholars have emphasized the importance of alternative institutional logics or frames in shaping and promoting political actions, few have clearly explained either where those alternative logics and frames come from or under what conditions they become relevant as resources for such political action. Most scholars simply describe alternative logics and frames as external, ready-to-wear variables, randomly available at any given time. However, a dialectical perspective clearly suggests that those alternative logics and frames themselves are also the historical products of the interinstitutional contradictions, which are constantly and inevitably produced and reproduced within and between various levels and sectors of institutional arrangements.

This dialectical understanding of frames and logics as dynamic and historical products provides two important implications for understanding institutional change. First, institutional heterogeneity or the number of interinstitutional contradictions is positively related to the likelihood of praxis for institutional change (arrow $a$ in Figure 2D), because it increases the number of institutional logics and frames that exist in a particular historical moment and within a social boundary and, thus, affords change agents a greater repertoire or tool kit (Swidler, 1986) for developing alternative frames and models (Clemens & Cook, 1999). The second implication is, however, that not all the alternative frames and logics available in a given time and space may have the same potential to legitimize and mobilize change efforts. Instead, the variance in their mobilizing potential mirrors the nature and structure of interinstitutional contradictions that have developed within a social boundary. Specifically, the mobilizing potential of a particular frame or logic can be understood as a function of (1) the degree to which it is endowed with some level of legitimacy by other institutionalized meaning systems within the same social boundary and (2) the degree to which those meaning systems potentially give rise to tension and contestation over the legitimacy of the particular institutional arrangements targeted for change.

For example, according to Davis and Thompson (1994), the logic of free market economics has long coexisted in the United States with what has been, since the early 1930s, the dominant form of corporate governance—managerial corporate control. In the 1980s, however, the accumulated effects of several institutional contradictions resulted in unforeseen challenges to the established managerialist order. These contradictions included (1) changes in the political and regulatory climate during the Reagan administration, whose policies, in general, aligned with the free market logic; (2) an increase in power and resources in the hands of institutional investors; (3) a wave of takeovers that threatened to substantially undermine the managerialist hegemonic position; and (4) a widespread popular backlash against perceived antieconomic managerial misdeeds, such as poison pills. In this context the logic of the free market, in the guise of the market for corporate control, provided shareholder activists with an alternative frame with which to mobilize themselves as an emergent social
movement and with which to challenge and change the long-established features of the corporate governance system.

This case suggests that the nature of institutional contradictions can shape actors' political activism by conditioning which alternative frames and logics become available and relevant as resources (Brint & Karabel, 1991). The roots of change and resistance within institutions arise from the contradictions among the institutions themselves (Sewell, 1992). In this light, praxis appears not simply as a means through which a group of institutional challengers achieve their political goals but, rather, as a mechanism of human agency through which a social system as a whole transcends its own tensions and limitations. This leads to our next proposition.

**Proposition 4.** The degree and number of interinstitutional incompatibilities increase the likelihood of praxis for institutional change by increasing the number of frames and logics available for the construction of alternative models of institutional arrangements capable of legitimizing and mobilizing change efforts. This effect will be mediated by actors' skills at adopting and deploying the available institutional logics and frames in legitimizing and mobilizing their change efforts.

**Collective Action and Institutional Change**

Collective action by a group of institutional challengers or entrepreneurs may not always result in the intended change because of opposition by vested interests better served by the existing institutional arrangements. In such cases institutional change processes may entail intensive political contestation and negotiation over the new forms of organizing (Hoffman, 1999), in what has been described as "institutional war" (White, 1992) in interorganizational "arenas of power relations" (Brint & Karabel, 1991). At a micro level—much in line with Bacharach, Bamberger, and Sonnenstuhl's (1996) observation—this aspect of institutional change may look like political struggles over the alignment, misalignment, and realignment of various frames and cognitive schema among small
numbers of participants. At a more macro level, institutional change efforts may look much more like social movements, entailing, at least in part, the fundamental realignment of a significant number of participants’ frames and logics of action, all as a result of agents’ active efforts at mobilization (Lounsbury, 2001; Snow, Rochford, Worden, & Benford, 1986).

A dialectical perspective points to important ways in which institutional contradictions may influence this later stage of praxis. First, institutional contradictions may influence the political dynamics by undermining the hegemonic position of dominant groups or coalitions (Habermas, 1973; McAdam et al., 1988). In particular, a performance crisis caused by accumulated inefficiencies may influence the dynamics of political contestation by enhancing the relative political position of institutional challengers (arrow b in Figure 2D). For example, Greenwood and Hinings argue that “performance problems and crises act to trigger political disensus over existing arrangements and permit groups less committed to prevailing practices to more legitimately raise and promote alternative perspectives” (1996: 1043). Similarly, Ocasio (1994) argues that economic adversity can undermine executives’ institutionalized power bases and affect patterns of CEO succession in U.S. corporations.

Second, institutional contradictions, especially interinstitutional incompatibilities, may influence the political dynamics by determining the availability of resources necessary for political action (arrow c in Figure 2D). As resource mobilization theory indicates, the resources and power available to actors are critical factors in determining the success of political action (McAdam et al., 1988). The availability of powerful, alternative institutional resources across institutional settings can be particularly important for less powerful institutional challengers. Many scholars have found that various networks of professionals, professional institutions, and social movement organizations provide agents with various types of resources and support, such as sponsorship, legitimated authority, models of organizing, performance standards, and political pressures that can be enacted in diverse settings (e.g., Brint & Karabel, 1991; DiMaggio, 1991; Lounsbury, 2001).

From a dialectical perspective, this process of political struggle over conflicting frames and logics is an important, even a necessary, condition for the emergence of new, encompassing (transcending) frames or models of organizing (Bartunek, 1993; Bartunek & Moch, 1987). Moreover, it is this possibility of transcending existing social structures that shapes a dialectical vision of the future. It is “not one of continuous, predictable development through extension or consolidation of the present order” (Benson, 1977; 5); instead, it is the successive realization of one of many possibilities, with the final determination depending on human praxis.

The present is full of many latent possible outcomes (Benson, 1977). At one end of the spectrum of possible outcomes is the failure to transcend existing institutional arrangements in a manner that fundamentally resolves manifest institutional contradictions. For example, one form of organizing may simply give way to another (Bartunek, 1993), or dominant groups may develop partial solutions that address the immediate problems, with neither the new form nor the stopgap solution ever addressing the underlying contradictions themselves (Edwards, 1979). From a dialectical perspective, this may result in producing another source of contradiction, which will ultimately come back as a greater force of institutional change, perhaps even in the near future. At the other end of the spectrum is the reconstruction of social arrangements through the resolution of underlying institutional contradictions. This will provide the social system with a period of relative stability, although it also will inevitably produce other contradictions over time.

**DISCUSSION**

The relative emphasis between agency/interests and institutional embeddedness has been one of the central issues of recent institutional arguments. Overemphasizing the static, stable aspect of institutionalization, as was done in the early neoinstitutional literature, left unexplained the origins, evolution, and demise of institutional arrangements (DiMaggio, 1988). Focusing only on agency and interests, however, tilts us toward a view of institutional arenas full of endless political struggles among atomized, opportunistic actors unaffected by the institutional embeddedness that shapes both the means (power) and ends (interests) of those actors. In this article we have deployed a dia-
lectical perspective to resolve this theoretical tension, attempting to go beyond the limitations of some recent efforts (e.g., Barley & Tolbert, 1997; Greenwood & Hinings, 1996). We have also elaborated on the dialectical perspective to develop an integrative framework of institutional change, which captures a dynamic, complex set of linkages between institutional context and human agency in generating institutional change.

The dialectical framework first draws our attention to institutional contradictions—various ruptures and inconsistencies within and among institutionalized systems of meaning, forms of organization, and logics of action. The historical development of institutional contradictions is both the direct outcome of the inevitable, ongoing social construction of institutional arrangements and the potential source of challenges to the legitimacy of those very institutional arrangements. As a result of these tears in the institutional fabric, potential change agents arise, overcome the constraints of institutionalized scripts and logics of action, transcend the limitations of existing institutional arrangements, and mobilize collective action for institutional change.

In a dialectical framework, the critical human agency in such a fragmented, contradictory social world is conceptualized as praxis and is positioned as the essential mediating mechanism that links institutional embeddedness, contradictions, and change. We find an important difference between the concept of praxis and the conceptualizations of action and agency in most of the institutional literature. The latter tend to take two extreme positions. On the one hand, in much of the neoinstitutionalist literature, actors are implicitly depicted as passive recipients of institutional frameworks, unconsciously enacting institutional scripts. Orthodoxy is the logic of action (Scott, 1995). On the other hand, many recent institutional theorists view social actors as active, rational opportunists. Such actors are ready to take any action for institutional change that will enhance their individual interests, unconstrained by existing institutional arrangements (e.g., North, 1993; Oliver, 1991). For such actors, unilateral strategic compliance or resistance is the logic of action.

In contrast, the concept of praxis points to a particular type of action, rooted in a collective consciousness that is conditioned but not determined by existing social arrangements. Specifically, the historical development of contradictions in a given institutional order sets the stage for the emergence of a transformational collective consciousness and provides frames and resources required for mobilizing collective action. Critique, pragmatism, and collective action, rather than orthodox compliance or strategic resistance, are the central logics of action.

A theory of institutional change incorporating the concept of praxis emphasizes agents' ability to artfully mobilize different institutional logics and resources, appropriated from their contradictory institutional environments, to frame and serve their interests. Thus, political contests over the framing and mobilization of institutional rules and resources, which entail the active exploitation of contradictions between institutional structures and logics, become central features of institutional change processes. The possibility of institutional change, therefore, is rooted in the aptitude and opportunity for praxis—or in what Brown (1978) has described as an encounter between the human affinity for creating and using logics and frameworks and the panoply of alternative logics available in a social world rife with contradiction.

IMPLICATIONS AND LIMITATIONS

The dialectical model presented in this paper is a general framework, applicable to a broad range of institutional changes. For example, it can be applied to changes of various types (revolutionary and incremental), changes at various levels (organizational, interorganizational, and societal), and changes in various institutional contexts (tightly coupled and loosely coupled). However, to discuss more precisely the implications of our framework, we first specify several circumstances under which this model is more or less applicable.

First, by emphasizing the role of praxis in the drama of institutional change, our model intentionally focuses on institutional changes that are (1) driven by institutional participants whose interests are not adequately served by the existing institutional arrangements and (2) directed toward a fundamental departure from the previous principles of organizing. By default, this focus seems to exclude institutional changes initiated by other actors (presumably powerful actors) or directed at incremental mod-
ifications that do not involve challenges to underlying principles. However, the dialectical perspective alerts us to the idea that social arrangements are produced and reproduced through political struggles among people with unequal power and that those who benefit from social arrangements are likely to be active in their reproduction and maintenance, especially in the face of challenges. This implies that reproduction, incremental change, or change not involving fundamental institutional logics will be more common than fundamental departures from existing logics of action. Although institutional contradictions, such as efficiency crises or interinstitutional incompatibilities, may nonetheless drive incremental or superficial changes, implying a partial applicability of this model, such changes are not the main focus of this model.

Second, the model also focuses on how political action for institutional change initially emerges in the midst of institutional embeddedness. It says little, however, about the dynamics and processes of institutional change, once such political actions are triggered. Although the model provides a general picture of what the later processes of institutional change look like and predicts several important effects of institutional contradictions on such processes, it is still far from providing a comprehensive analysis of the later stages of institutional change.

Finally, this model starts with an assumption that certain institutional arrangements are already established enough to embed their inhabitants and attempts to explain how such well-established arrangements are changed. This implies that the model is more applicable to somewhat established institutional fields but less applicable to newly emerging fields, although an emerging field itself cannot be understood without considering the totality of the surrounding interinstitutional structures from a dialectical perspective.

Within these boundary conditions this dialectical framework holds several important practical implications for organizational members and scholars, as well as directions for future research. First, when applied to organizations, a dialectical perspective emphasizes that organizational structures are the products of internal and external forces—including various economic pressures, cultural shifts, and political struggles (Davis & Thompson, 1994; Gordon et al., 1982; Stone, 1974)—and are constructed out of multiple models of practice, conflicting structural rules, and contradictory principles. These organizational contradictions exacerbate conflict, produce drastic disruptions, and/or fragment organizational members into overlapping, partially competitive interest groups, all of which are strong driving forces for organizational and institutional change (Benson, 1977).

The sources of institutional contradictions identified in our dialectical model clearly indicate that the seed of institutional change is likely to grow where and when institutionalized norms and practices conflict with day-to-day functional/efficiency needs, become incompatible with and unresponsive to changing economic and institutional environments, and/or no longer serve the interests and ideas of participants who enact those norms and practices. This may help organizational members and scholars better predict institutional upheaval and challenges or practice praxis themselves. Both managers and the managed can exploit these contradictions to empower and legitimate their conduct at work (Whittington, 1992).

Second, the dialectical model emphasizes the role of less powerful or marginalized social actors whose interests are misaligned with the existing rules, structures, and practices in the drama of institutional change, depicting them as potential change agents. This emphasis challenges mainstream organizational theories and practices, in which scholars and practitioners have traditionally paid less attention to those marginalized organizational members who, from a resource dependence perspective, are less powerful and therefore less interesting. However, contemporary organizations have witnessed the mobilization of various groups of marginalized organizational members, including groups based on occupation, gender, race, and social class.

In addition, the emphasis on power and marginality raises concerns about the possibilities of dominance and alienation in the processes of institutionalization that are seldom discussed in the managerialist treatments of institutional phenomena. Instead, rules, logics of action, and institutionalized patterns of behavior have been treated as something neutrally embedded within people's cognitions and/or as external givens of the broader society. Thus, we invite conversations between institutional scholars and critical theorists, who focus on the phenom-
ena of cultural and ideological dominance and alienation more in depth (Habermas, 1971, 1973; Jermier, 1998).

However, in the dialectical framework we do not assume that marginality or any interests are objectively or universally defined; even some members of management, typically considered to have a more or less secure and prestigious position within organizations, have been victimized under certain conditions, such as recent waves of takeovers (Davis & Thompson, 1994) and downsizing (Kets de Vries & Balazs, 1997). Whittington further suggests that managers are potential change agents who can transform their firms into "vehicle[s] for realizing a much wider range of socially legitimate values than capitalistic means and ends" (1992: 707) by actively exploiting the tensions among the divergent institutional principles that permeate the organizational world.

Third, the dialectical framework highlights the pivotal role of actors' ability or skills to mobilize institutional logics and resources from the heterogeneous institutional environments so as to legitimize and support their change efforts. However, such tasks are extremely difficult and challenging, involving not only a high level of reflexivity and creativity but also "the unlearning of what has been ingrained over history and embedded into structures, policies, metrics, rhetoric, and practice" (Hoffman & Ventresca, 1999: 1386). Moreover, many of the analytical models and managerial skills that traditional organizational theories and practices have promoted seem inadequate for addressing such a challenge. For example, stakeholder analysis (e.g., Freeman, 1984; Jones & Wicks, 1999) is a model of political analysis frequently used to identify, classify, and shape strategic responses to the individuals and groups who can affect and/or are affected by organizational actions or who have enforceable claims on a firm's performance. However, it is a static and ahistorical model. With its focus limited to the functional and legal dependencies of the firm, it is incapable of capturing the multiple logics and rules that arise from the institutional environment and of handling the dynamics and historical relationships that embed organizations and organizational members.

Similarly, the skills required for praxis go beyond those highlighted in the management literature, such as symbolic leadership, impres-
Kunda, 1992) and the social location, practical concerns, and interests of organizational scholars who create them (e.g., Mizruchi & Fein, 1999). On the other hand, these theories shape organizational actors’ understandings and guide their actions as they organize themselves (Benson, 1977).

This dialectical relationship vests substantial power in organizational scholars to either legitimize or challenge existing organizational forms and practices. Therefore, organizational scholars can promote organizational and institutional change not only through the critique of existing organizational forms but also through active commitment to social reconstruction of organizational forms that move toward the realization of human potentialities, democratic pluralism, liberty, and social equality (Benson, 1977). These objectives resonate with the critical ideal of creating a society in which people determine their own directions collectively, free from exploitation and oppression (Habermas, 1971, 1973; Jermier, 1998).

Of course, the implications discussed above become meaningful only when the validity and usefulness of this dialectical analysis of institutional change are firmly established by empirical research. Therefore, we propose several broad agendas for future research. First, one direction for future research would be to directly test either the entire or a part of the dialectical model presented in this article, focusing on the dynamic relationship among institutional context, institutional contradictions, human agency, and institutional change. This could take the form of a comparative study examining how a change triggered by seemingly similar external causes unfolds differently in different institutional contexts. For example, although the recent Asian currency crisis profoundly disrupted the existing institutional arrangements in a number of Asian countries, the ways in which the important social constituencies, such as firms, governments, and social activists, responded to the crisis, and the resulting processes and outcomes of institutional changes, have been radically different across countries. This type of study may reveal how varying degrees of accumulated inefficiencies, institutional inertia, and availability of alternative cultural frames and logics interact with various institutional players to produce different effects on institutional change processes and outcomes.

Second, we invite both conceptual and empirical works that expand our framework by relaxing the boundary conditions specified above, without losing the dialectical perspective. In particular, our model implies an important link between praxis and institutional change but does not specify the concrete processes and mechanisms through which social actors’ multilateral political actions (praxis) ultimately cultivate new, well-established institutional arrangements. Although we project that this period will entail intensive political contestation and negotiation among the key constituencies, and we also predict that institutional contradictions will still influence how the process unfolds, more theoretical and empirical investigations are required to provide more concrete and valid explanations of the factors, processes, and dynamics involved in the later stage of institutional change.

A third direction focuses on microsociological aspects of institutional entrepreneurship. We have proposed that research on institutionally embedded agents, the practitioners of praxis, should focus on the interplay of their actions, skills, social locations, and identities. This interplay has implicitly figured prominently in Fligstein’s (1997a) depiction of institutional entrepreneurs and their critical actions. Many of the actions he highlights echo key features of praxis: using the components of existing meaning systems to frame alternative legitimating logics that challenge existing cultural templates, promulgating new meaning systems, and creating new shared social identities and roles as a means of mobilizing collective support for these alternative social arrangements. Just what each of these actions looks like empirically in an institutional contest warrants research, but in other research we have chosen to explore the relationship between action and the social construction of identity (Creed et al., in press).

According to Bernstein (1997), social identity is a critical deployable resource in institutional change. Fundamental to the notion of praxis is the idea that, under some circumstances, people can become active agents in “reconstructing their own social relations and ultimately themselves” (Benson, 1977: 6). Yet, most work linking institutional forces with identity has focused on how organizations create their identities vis-
à vis the field. An alternative question is “How do individual agents create themselves” (Hirsch & Lounsbury, 1997)? To be successful, must institutional change agents create themselves as they do the transformed institutions they invent—piecing together assemblages out of the frames and models available in the broader society (Bernstein, 1997)? We believe this may be the case based on our examination of legitimating accounts surrounding a controversial institutional change: the adoption of policies precluding workplace discrimination on the basis of sexual orientation. Both opponents and proponents of these measures embed in their respective legitimating accounts constructions of their own and their opposition’s social identities—constructions designed to enhance their superior claim and undercut their opposition’s claim to logics of action that are culturally resonant enough to mobilize support (Creed et al., in press).

CONCLUSION
The dialectical perspective presented here offers but an inchoate theory of institutional agency as praxis. It is one, however, at odds with a “theory of practical action” that subordinates the political to the cognitive (DiMaggio & Powell, 1991) and, instead, points to the interdependence of the political and the cognitive in the creation, maintenance, and change of institutional arrangements. We are not suggesting that institutional contradictions, crisis, and human praxis are the only factors mediating institutional change. We do suggest that institutionally embedded praxis is a far more common and important factor in institutional change than institutional theories of either orthodox compliance or strategic resistance suggest and, thus, deserves greater theoretical and empirical attention.

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