Inhabited Institutionalism

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Inhabited Institutionalism is a meso-level theoretical approach for evaluating the recursive relationships among institutions, social interactions, and organizations. This theoretical framework offers organizational scholars a multi-faceted consideration of coupling configurations that highlight how institutional processes are maintained, challenged, and transformed without reverting to nested yet binary arguments about individual agency and structural conditions.

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Sociologists, especially new institutionalists, lack a consistent definition of what an "institution" is; rather, the tradition often relies on vague conceptualizations [1]. Nevertheless, organizational sociologists commonly treat institutions as "broad structures of meaning that are taken-for-granted and organize activity" [2], p. 214. Similarly, Barley defines institutions as "social forms or templates composted of clusters of conventions that script behavior to varying degrees in given contexts" [3], p. 495. This conceptualization is perhaps similar to others developed across organizational studies and economics [4][5]. However, despite parallel definitions and plenty of literature, much new institutional scholarship treats institutions as "reified abstractions" void of social interaction and meaning-making [2]. Instead of attempting to redefine institutions as the object of analysis, inhabited institutionalism employs the concept of "institutional myth" to refocus empirical analyses.

Inhabited institutionalism complements the macro, anti-individualistic focus of the long-dominant New Institutionalism (NI), which Meyer and Rowan advanced sociologically, most notably via formal structures as "myth and ceremony" [6]. In their groundbreaking article, Meyer and Rowan define institutional *myths* as the prevailing practices and procedures organizations adopt to maintain legitimacy, stability, and resource systems in a larger field [6]. In the macro sense, mythologies are the rationalized and impersonal ways in which we institutionalize rules, authority, and bureaucracy. At the local level, mythologies are the ways in which organizations ceremonially present a tight linkage between formal structures and practical activity [6][7][8]. Institutional myths are mythic in the anthropological sense because they are cultural explanations for how the world operates, but they are also occasionally mythic in the sense that organizational operations are inconsistent with ideal expectations [8]. New institutionalists refer to this façade of commitment as "ceremony"—it can be simpler and even more effective to commit to the myth verbally instead of via genuine practices. Examples of popular institutional myths are "professionalism", "expertise", or "accountability," which vary in meaning by field and vary in adherence by organization.

Scholars have since applied myth and ceremony to observe how institutions tend to progressively homogenize because embedded organizations will at least ceremonially adhere to prominent institutional myths to maintain

external credibility, a process termed "institutional isomorphism" [9]. In other words, the success of organizations depends on how effectively they can secure legitimacy and resources, which means following status quo expectations, even if members do so only in name rather than practice for the sake of true efficiency. For instance, many companies claim trustworthiness for self-promotion, but one can imagine how attempting to improve profits may open avenues for distrustful practices. Thus, even if institutions appear similar due to explicitly adopting the same popular mythologies, on the ground practices vary. Nevertheless, adhering to dominant mythologies in the field enables organizations to appear similar across institutions, despite contextual differences. This process explains why most American universities promote campus diversity or why businesses adopted more sanitation protocols during the COVID-19 pandemic—adherence should confer more legitimacy.

Incorporating rational mythologies should allow organizations to be more legitimate, successful, and enduring—if participants are committed to maintaining the ceremonial structure because they are content with the technical manifestations [6]. Meaning, if a mythology is well-received by members because it is well-implemented, the organization should prosper. However, genuine implementation of macro mythologies can also hinder practical activity and stimulate conflict, which is why scholars have taken a particular interest in processes of decoupling or loose couplings [8][10].

The ways in which organizations legitimate mythologies by linking formal structures with practices is often defined as a process of coupling, with researchers describing activities as "decoupled" or "loosely coupled" to mythologies when organizations are only ceremonially committed to change [2][10][11]. Loose couplings may help maintain an institution's myth and ceremony, and therefore provide legitimacy. For example, many organizations now purport diversity policies and programming without a sincere coupling to systematic or cultural change [12]. Take for instance former State Farm employees and customers accusing the organization of racial discrimination, despite the company denying this reflects internal culture [13]. It is simple (and legitimatizing) to *claim* your company is not racist but *being* anti-racist with insurance claims is not profitable. Scholars have documented similar forms of decoupling or loose coupling in housing and hiring practices—organizations claim race-neutrality, yet their outcomes remain unequal [12].

Alternatively, if recoupling occurs in which "myths become incarnate" (or go from loosely to tightly coupled), environments may destabilize and experience conflict [7]. Consequently, tight couplings may stimulate uncertainty and conflict, which can lead to organizational disruptions and even threaten institutional legitimacy if members perceive imposed practices to be ineffective or insincere [7]. For example, if an organization genuinely attempts to ameliorate inequalities via diversity policies, they may receive backlash from pre-existing dominant members who perceive them as unfair [14]. On the other hand, an attempted recoupling to diversity and equity can also instigate conflict if historically underrepresented members find the practices unsatisfactory for opposing reasons.

Scully and Creed first used the term "inhabited institution" during a conference presentation in 1997, as they argued that people "not only inhabit this process [of institutional diffusion], but they actually reshape (and are reshaped by) the objects and dynamics of diffusion" [15]. Therefore, inhabited institutionalism developed through a dialogue between NI and forms of interactionist social psychology. The goal is to understand how the macro, extra-

local institutional pressures that bear on organizations are inhabited by "people doing things together", whether in concert or conflict [2][16]. Organizations and institutions cannot exist without individuals propelling them in some capacity. Inhabited Institutionalism considers the dynamics among social interactions, institutions, and organizations to examine how society operates, without reducing our analysis to individual agents or omnipresent structures. Individuals do not create change on their own, and structures only exist because we instill them with meaning. Thus, the interactions in the middle are where push comes to shove.

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