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Academy, Institutional Theory and Organizational Research

Interviewee: Roy Suddaby¹

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Editor's note. Mariana Baldi served as Action Editor for this interview.

On October 6, 2017, Prof. Roy Suddaby kindly received the interviewer in his office at Peter B. Gustavson School of Business at the University of Victoria to talk about academic life, Institutional Theory and organizational research.

At the University of Victoria, Prof. Suddaby serves as the Francis G. Winspear Chair and works with PhD students in the area of organizational analysis. He is a researcher internationally renowned for his outstanding contributions to the field and significant global scholarly impact. In 2014, 2015 and 2016, he was named by Thomson Reuters as one of the World's Most Influential Scientific Minds (Business and Economics). He is editor of the *Academy of Management Review* and has served as editor or guest editor for several other journals. In addition, Prof. Suddaby is a strategic research advisor at the University of Newcastle Business School and an honorary professor at the Copenhagen Business School.

Interview

Fernanda: Before starting your academic career, you were working in another professional area. When did you decide to come to academia?

Roy: I came to academia very late in life, I was very old, I had a previous career as a lawyer, I really disliked being a lawyer, I disliked it from law school, but you have this sort of escalation to a commitment in a career, and the changing point for me was when my wife and I started having children, and you have to understand that lawyers work very, very hard, long hours, and I spent many weeks where I did not see my children awake, so I decided that I would go back to school and do a PhD, because I always enjoyed, I had an MBA before and I enjoyed doing more academic work, and my wife agreed quickly that we should go back, and so that was the turning point. And it's been fantastic, I never regret the decision, my only regret is that I wish I'd have done my PhD sooner.

Fernanda: How did you become one of the most successful researchers in such a short time?

Roy: The true answer is that it was by accident. The more sophisticated answer is that I took some risks in my career, and you have to understand that because of my previous answer, because I had a previous career, I didn't have big aspirations for my academic career. The plan that my wife and I had, we got married in Victoria, 25, 26 years ago. The plan that I had was that we would come back to Victoria once I got my PhD. I would teach in a community college and maybe do a little law practice on the side, but we had a nice balance in work and life, so as a result, I really didn't care about following fads and fashions in my thesis research. And so I was at the university of Alberta at the time, folks there were very interested in change but also in institutions at the same time, so I thought: "Why is it that we assume institutions don't change? They change, just very slowly, and sometimes very rapidly", and so I was doing a thesis on processes of institutional change in the legal and accounting professions, at a time that everyone was talking about institutions being the same all the time. So I didn't have much hope that I would get a job at a real university, but I didn't care about that, and because I didn't care, I took some risk. And then when I woke up from my 3-year dissertation, I suddenly discovered that the world was talking about change in institutions, so that's the luck part. I happened to do the right thing by accident in a sense.

Fernanda: What is the biggest contribution you think you've made in the area?

Roy: I don't know if I've made it yet, I think I am still working on it, but I think that I've made a contribution in the sense of problematizing change for institutions, suggesting that institutions actually do change. We need to understand better how they change. I also think that my contribution is to pay attention to the symbolic and cultural elements of the change, particularly in the important role that language plays in managing change, this is my biggest contribution. My current focus is in using the language of history, and the argument of history as an argument for change or for resisting change.

Fernanda: Since you entered in the academy, what are the major advances and the main losses?

Roy: The advances are easy. When I joined the university, when I was very young, I studied law because at the time business was not considered a real academic discipline, it was a very practical discipline, but it wasn't academically oriented, whereas law was both practical and academic at the same time. Business has transformed dramatically now, it is a respected academic tradition and also very practical. In fact, currently people in academia argue that it has become too theoretical and not practical enough, I disagree with that personally, I think theory can be very practical, and there is lots of room to grow in that sense. So, the positive thing for me, the Academy of Management has grown tremendously in its academic credibility and status, and reputation. The dangers or disadvantages of this, I think there are lots; because people can have very successful careers as business academics now, we have become very conservative in our approach to business, and students in particular are less willing to take risks. So it's more of an attitude of following the fashion, fad or tradition, in order to be successful rather than taking some risks and doing something that's interesting because you like it. I encourage students to keep in mind that their career is very long, and fads and fashions change very quickly, so pick something that you really like.

Fernanda: You started your academic career publishing works on the institutional perspective, but in recent times have approached other perspectives. Do you still consider yourself an institutionalist? What is your view on institutional theory?

Roy: That's a really good question, I haven't really thought it through myself, but I will start by answering the first question. I still consider myself an institution theorist, but I consider myself an old institutional theorist. When institutional theory first originated, it was out of discussions coming out of Stanford School, where there was this argument proposed by folks like John Meyer and Dick Scott, to view organizations from the perspective of institutions, not in terms of the practical significance, but in terms of their social, symbolic significance. And they made this very compelling argument that oftentimes organizations behave not because of arguments about economic efficiency, but rather about complying to norms in the social symbolic sphere. This argument is perhaps more profound today than it was in previous times, because we live in a world in which because of media and social media, and the powerful influence of culture, you can have a very successful business that is premised on social culture consideration rather than hardcore economic consideration. So, from that point of view I still consider myself an institutional theorist, but I think institutional theory has really lost its way. It has become very much focused on contingency theory arguments, and by that I mean that the very origin of organizational theory was trying to understand how organizations change as a result of pressures that take place in their external environment, and that external environment has largely been driven by resources, and the contingency theory arguments say that when the external environment changes, then so too does the organization. Institutional theory took similar arguments and said: "We have to attend to more than just economic considerations in the external environment, we need to consider the environment of other organizations as a pressure, in which the pressure becomes more social, symbolic in culture than it does economic. We lost that now because we tend to assume that organizations adapt in response to shifts in the sociocultural environment, and we forgot the fact that organizations themselves influence what goes on in the sociocultural environment. What that means from a practical perspective is that institutional theory has become all about why organizations lack agency, but the reality is, if you adopt the view that organizations can themselves influence the sociocultural environment, and we know that they do with arguments about expanding globalism, neoliberalism, that's a corporate agenda done by the society organizations, then they have very powerful agencies. And we forget that, this was part of the argument around our institutional work, and we forget that dominant institutions have tremendous degrees of power and influence over sociocultural influence and economic influence. I think we need to get back to that in a way.

Fernanda: What has been the role of the institutions and its relation to the organizations in OT nowadays?

Roy: I hate to sound pessimistic, but institutional theory has become trivialized, everything is considered to be an institution now, many of the studies of institutional change look at trivial consumer

products like wine and whatever happens to catch the attention of elitist academics in terms of consumptive items, that really isn't an institution for me. And I've heard arguments that say "Any sociocultural practice is an institution, a handshake is an institution", these are practices, cultural practices, but they are not institutions. And when you talk to historians, for example, they have a very clear understanding of what an institution is, the corporation is an institution, the church is an institution, the nation state is an institution. It really troubles me that academics, very serious academics in management study wine as an institution. It isn't, it's a product, not institutional practice, even consumptive practices, but people are studying poverty, or gender, which are really serious outcomes of institutional practices. So that really does trouble me.

Fernanda: The term "change" seems to mean a lot of things to a lot of people or, in your own words, it lacks "construct clarity". How do you define change?

Roy: That's another excellent question, and if there was anything that would define my current research agenda it's exactly understanding what it is, what do we talk about when we talk about change, really, and if you look at the sort of trivialized notions of change in institutional theory, they all capture this argument of increased rationalization, where organizations go from more traditional formats to a more rationalized or economically efficient organization. So, we look at the publishing industry, it was a gentleman's club before, and organizations were small and convivial, now they've all been bought up by corporations and the world has changed. You can make that argument about any organization, but one issue that I have is that we tend to forget that there is an equally important counter movement that forces organizations to move away from rationalization. Not all organizations are successful because they are big and economically efficient. So if you look, for example, at the beer industry, this industry has been a poster-child for enhanced rationalization, where the large beer companies have gone through so many mergers and acquisitions that we are going to have probably 4 or 5 beer companies one day. The economic logic of this is obvious: economies of scale. You build a giant factory and you can make cheap beer, but the reality of it is that the fastest growing counter movement in the beer industry is the emergence of small craft brewers, which is the opposite of the traditional institutional argument. But what we forget is that Max Weber talked about the re-enchantment of the world, and I don't see any studies that focus on re-enchantment. This is one problem that I have, that I am struggling with the way that we categorize change. But I don't think that we've thought about change philosophically in the same way that our ancestors thought, that the ancient Greeks thought about change. So, we tend to think of change in terms of two boxes and an arrow between box A and box B, and something changes in an organization between A and B over time, and we say change has occurred. But the reality is that organizations are very complicated beasts, and some things change, some stay the same, and some go backwards in that movement from A to B. And that argument is even more obvious when we start talking about institutions, which are even more complex organizations, and what we need to understand is a higher degree of specificity of what changes when we're talking about change. I will give you an example that the Greeks talked about, which is the Theseus' paradox. They describe Theseus in his ship, sailing over the Aegean ocean, being chased by Phoenicians, and parts of his ship start to fall apart as he goes on this journey, and he replaces those parts, until that at the very end of his trip, the ship has been completely reformatted, all the pieces of wood have been changed. Is that still Theseus' ship, or is it a different ship? So, this question that they raise between change and identity, and they complicate it further by saying that if the Phoenicians following behind Theseus picked up all the bits of his old ship that he was throwing away, and refashioned his ship, now we have two Theseus ships, which one is the authentic ship of Theseus? So, the question then becomes a tangled question of change and stability and identity, and authenticity at the same time. The ancient Greeks thought about this very, very carefully, and they had arguments, but at least they understood change to be a complex process, and the need for specificity about what is changing when we are talking about change. I detest seeing a description of an institutional change in which only one element has changed, that isn't really change. Or, if you think of institutions as comprised of at least two components, material elements of the organization and the meaning system that is attached to it, you can conceive of context in which both of those things change, the actual structure of the organization, the material elements change, and the meaning is also changed, but you can also see elements, the structural process changes but the meaning hasn't changed, or the opposite, where the meaning changes but what you do on a day-to-day basis doesn't change that much,

and there are examples in the literature. Zilber, in her description of a rape crisis center in Israel, talks about a context in which the day-to-day practices don't change much, but it shifts from a meaning of feminism to a meaning of science and medical health practices. Is that change? Yes, I think it is change, but you need to separate the practices from the meaning systems.

Fernanda: And how does the adoption of a historical consciousness contribute to research on organizational change?

Roy: A number of ways, and I don't know if I can fully answer this question, as we're just starting to explore these questions. But to adopt a historical consciousness, first of all, means that you need to adopt a much broader time frame in change. I really don't see how an institution can change in a period of three or four years, unless it's revolutionary change, and yet most of the studies of change in business happened to look at examples of change over three or four years. Why is that? Because the typical length of a PhD dissertation is three or four years, and they like to watch the change in progress, but historians never assume that because their PhD is going to take three or four years, that they are going to look at a three or four-year period in history. They look at long sweeps of history, and sometimes it's not obvious to see that this is an inconsistency in the ethos of institutional theory, and that is because so much of what we do is embedded in our socio-cognitive perspectives, it's often difficult for an individual to see change even over his or her lifetime. You can only see it if you look way back in time, and that requires a historical perspective and historical consciousness, to see how attitudes toward gender change over a long period of time, our attitudes to economic structure change over time, and also language. Sometimes the meaning of words can change very dramatically over a 100-year period. I think that one component is that we have to look at institutional change in a broader temporal perspective, but I also think that a historical consciousness speaks to a complexity of change as well. Historians are reluctant to think of change in the context of a box A and a box B, and a movement over time. They understand fully that when you're looking at change in a complex structure like a nation or state, some things change, some stay the same and you need to understand it occurs in a complicated fashion. It requires nuanced judgment and interpretation, and it doesn't mean that there's no such thing as change, but it means that we need to be very careful about what changes and what stays the same.

Fernanda: How do you see the future of organizational theory? What are the main challenges that lie ahead for organizational theory researchers? Would you have any recommendations for young researchers?

Roy: So, the first question, how does organizational theory change, and here I am speaking very specifically of the Academy of Management, OMT division, and the problem with it is it has become a mono-theoretical perspective. It is largely dominated by institutional theory, but new institutional theory, and the diversity of theoretical perspectives that existed when I joined the academy as a PhD student are gone now. We used to have representation in a critical theory of gender approaches to organizations, historical approaches, contingency theory, strategic management. All of that was represented there, and now it's largely dominated by institutional theory. OMT is declining in its influence as a result of that. It's no longer taught in business schools in North America. It's very difficult for PhD graduates who call themselves organizational theorists to get jobs. They have to reposition themselves as entrepreneurship people, strategy people, or international people. Why is that? The problem reaches back to this misunderstanding of the lack of agency in new institutional theory. Business schools are not interested in instructors who tell them why managers have no influence over organizations, and that has become the narrative of institutional theory, that individuals don't matter and individual agency doesn't matter either. I think that's a misunderstanding of what institutional theory is, but it really is a poor strategic positioning of the theory in the context of business schools, because business schools are all about trying to understand how managers and organizations matter, how they have influence, how they have agency. And the degree to which we stop talking about individual organizational managers or agency means the death of OMT. I'm afraid we're on the brink of that now. I've spent time at the various divisions of the academy, and the exciting conversations are taking place at other variants, entrepreneurship, strategy and critical management studies. I don't see a lot of variation in the conversation in OMT. That's a sad note to end on, you should have a happy question.

Fernanda: Would you have any recommendations for young researchers?

Roy: Yes, I forgot about that. Yes, I do have recommendations for young researchers, I would encourage them to do two things. I would encourage them to diversify their world views, not narrowly defining themselves as an institutional theorist or historian, but try to pursue multiple lines simultaneously, and there is good empirical evidence for why someone should do that, in the chaos of disciplines and the habit. A famous American sociologist points out that new ideas rarely come from a single paradigm, they usually come from an intersection of paradigms, the collision of ideals. That's where real creativity comes from, and the degree to which a discipline becomes mono-theoretical means that the good ideas are going to disappear. That's one suggestion I would have, for them to expand the range of disciplines that they attend, and the second one is that they take some risks. Don't be conservative in your career. If the world is all studying why organizations don't change, you should study the opposite of that.

Interviewee

Roy Suddaby received his Ph.D. from the University of Alberta and his current position at the University of Victoria is as Professor, Francis G. Winspear Chair, Director of Research, Associate Dean of Research and Faculty Renewal. His expertise involves corporate governance and corporate social responsibility, corporate structures, global change, and organizational change.

His research focuses on organizational change and where it intersects with business and society. His current research seeks to understand how corporations are adapting to changing global norms and expectations and examines the changing role of the multi-national corporation. He is interested in understanding the various ways in which corporations mimic the function and role of the nation-state – *i.e.* corporate art collections, corporate history and museums, corporate universities and corporate social responsibility. His goal is to find the justification for this behavior, which goes beyond the financial bottom line and into organizational intangibles such as establishing meaning, values, and culture.

For further information: <https://www.uvic.ca/gustavson/faculty/faculty/faculty/current/suddabyr.php>

Interviewer

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