Institutional Processes and Organization Fields

The theory of fields is a generic theory of social organization in modernity

—Neil Fligstein (2001a: 29)

I believe that no concept is more vitally connected to the agenda of understanding institutional processes and organizations than that of organization field. Previously defined in Chapter 4 and referred to from time to time in subsequent chapters, the concept of field—both as a conception and a level of analysis—figures sufficiently large in institutional approaches to organizations to merit extended attention. Like so many aspects of institutional theory, the conception of organization field is a work in progress. While its introduction into organization theory can be dated with precision, it builds on previous work and has been subject to criticism, amendment, and improvement up to the present moment. It is, at one and the same time, widely accepted and hotly contested.
CONCEPTUALIZING ORGANIZATION FIELDS

Our discussion begins with the general concept of field and then moves to its application to organizations, considering both its contributions to conceptualizing the environment within which a particular organization operates as well as its value as a new object of study.

Fields and Organization Fields

Field Conceptions

The concept of a “field approach” to explaining the behavior of an object has a long history in both the physical and social sciences. As detailed by Martin (2011), its origins lay in work during 19th century on electromagnetism and fluid mechanics in the physical sciences and, somewhat later, by German gestalt theory in psychology. What was common to these and related approaches is that the behavior of the objects under study is explained not by their internal attributes but by their location in some physically or socially defined space. The objects, or actors, are subject to varying vectors of force (influences) depending on their location in the field and their relation with other actors as well as the larger structure within which these relations are embedded.

This perspective came by various routes into the social sciences. Urban ecologists in the “Chicago school” led by Park and Burgess (1921) borrowed from the work of biological ecologists to examine “niche space” not only in geographic but in relational terms (McKenzie 1926/1983). Building on gestalt theory from the late 19th century, social psychologist Kurt Lewin (1951: 57) developed his version of field theory in social psychology as a tool to assess an individual’s “life space”—encompassing “the person and the psychological environment as it exists for him.” Important features of Lewin’s approach were his insistence on the mutual interdependence of the many elements and forces surrounding the individual and on the centrality of the individual’s perceptive and interpretive processes: life space conceived as a cognitive map of one’s social environment (see Mohr, forthcoming).

Another important approach to fields came from sociologically oriented social psychologists in the work of Shibutani (1955), Strauss and colleagues (Strauss 1978; Strauss, Schatzman, Bucher, Erlich, and Sabshin 1964), and Becker (1974; 1982). These symbolic interactionists developed the concept of social worlds to refer to groups of actors with “shared commitments to certain activities, sharing resources of many kinds to achieve their goals, and building shared ideologies about how
to go about their business” (Clark 1991: 131). These worlds are actor-defined and permit the “identification and analysis of collective activities viewed as meaningful by the actors themselves” (Clark 1991: 135). Studies along these lines in social psychology and Chicago approaches to the sociology of work have developed until recently on a parallel tract to organization fields, but there are increasing signs of convergence (e.g., Clark 1991).

Particularly influential has been the work of sociologist Pierre Bourdieu (1971; 1984), who employed the concept of field to refer “to both the totality of actors and organizations involved in an arena of social or cultural production and the dynamic relationships among them” (DiMaggio, 1979: 1463). Bourdieu insists that “to think in terms of field is to think relationally” (Bourdieu and Wacquant, 1992: 96; italics in original), and he employs the analogy of a game, with rules, players, stakes, competition, and contestation, to depict its central features. Fields, for Bourdieu, are not placid and settled social spaces, but arenas of conflict in which all players seek to advance their interests and some are able, for longer or shorter periods, to impose their conception of “the rules of the game” on others. Bourdieu’s treatment of field provided the blueprint for DiMaggio and Powell’s (1983) founding conception, as well as for the later approach of Fligstein and McAdam (2011; 2012).

Organization Field Conceptions

It was heavy lifting to move organizational scholars to attend to systems above that represented by the individual organizations. After all, it had been difficult enough to convince students of organizations that the organization itself could be studied in ways other than showing it had effects on individual behavior. Very soon after the organization itself had been established as a viable level of analysis, the open systems perspective swept into the arena during the mid-1950s (Scott and Davis 2007: Ch. 4). The environment of an organization took on new importance, and scholars struggled with ways to conceptualize and capture it as a new object of study.

Early investigators (e.g., Dill 1958; Emery and Trist 1965; Lawrence and Lorsch 1967) came to conceive of the environment as a disembodied set of dimensions—such as complexity, stability, munificence—whose states could impact the organization. There was little sense that the organization’s environment was itself organized. And there was little awareness that organizations operating within the same environment might inhabit quite distinctive locations providing diverse threats and
opportunities. Ecologists suggested that community structures could usefully be examined as a network of interorganizational relations (e.g., Galaskiewicz 1979; Warren 1967), but these studies emphasized geographic boundaries. Useful next steps were the identification of the organization set (Blau and Scott 1962/2003; Evan 1966)—the organization’s primary exchange partners—and the organization population (Hannan and Freeman 1977)—a collection of similar organizations that compete for the same resources.

As described in Chapter 4, the concept of organization field was crafted by DiMaggio and Powell (1983) to refer to “those organizations that, in the aggregate, constitute a recognized area of institutional life: key suppliers, resource and product consumers, regulatory agencies, and other organizations that produce similar services and products” (p. 148). It thus incorporates both the organization set and organization population frameworks, while adding oversight units. Although based on Bourdieu’s work of fields, DiMaggio and Powell gave primary attention to social relational and network components. In their related work, Scott and Meyer (1983) stressed regulative and funding connections, calling attention to the ways in which field complexity affected organizational structure. These frameworks insisted that the fields surrounding organizations were themselves organized in diverse ways that influenced the structure and functioning of organizations embedded within them.

These early formulations, however, overstressed relational systems to the neglect of cultural connections. Building on Bourdieu’s work, cultural theorists such as Wuthnow began to remedy this deficiency by pointing to the importance of meaning systems. Rather than pursuing Bourdieu’s focus on subjective states, as in his concept of habitus (internalized dispositions), Wuthnow (1987) stressed the utility of focusing investigation on objective indicators of culture (e.g., the analysis of texts, discourse, gestures, and cultural products). He noted that approaches may vary from the “structuralist,” that examines general patterns in texts that can be seen, recorded and classified; to the “dramaturgic,” focusing on rituals, ideologies, and other acts that symbolize and dramatize the nature of social relations; to the “institutional” that calls attention to the roles played by organizations and occupations in producing and disseminating goods and services (e.g., Becker 1982; DiMaggio 1991). Wuthnow (1989) employs the term “discursive field” to characterize the “fundamental categories in which thinking can take place” developed over time by an interacting group of individuals and organizations. As Spillman (1995) argues, “discursive fields mediate between structure and meaningful action.”
Or as Snow (2008: 8) points out: “They provide the context within which meaning-making activities, like framing, are embedded.” An alternative approach to conceptualizing the symbolic aspects of field structures is, of course, that of institutional logics, as discussed in Chapter 4 (see Friedland and Alford 1991; Thornton, Ocasio, and Lounsbury 2012).

Thus, the concept of organization field represents a major step forward in enabling organization scholars to craft a coherent image of the relevant environment for a given organization. By focusing on the examination of specific relational linkages and patterns of activities employing network and other methodologies and by attending to the role of meaning systems as assessed by textual and discourse analysis, the environment can be much more clearly conceptualized and empirically assessed than was previously possible. As Ferguson (1998: 598) indicates, the concept of field allows investigators to “focus on tangible products and identifiable pursuits.” Field creation is an admixture of top-down and bottom-up processes. Ferguson also suggests, “a field constructs a social universe in which all participants are at once producers and consumers, caught in a complex web of social, political and cultural relations that they themselves have woven and continue to weave” (p. 598). In a pithy aphorism summarizing their work on a variety of organization fields, Padgett and Powell (2012: 2) conclude: “In the short run, actors create relations; in the long run, relations create actors.” I would add: In the short run, actors create and modify meanings; in the long run, meanings create actors, both organizational and individual identities.

While the concept of organization field has proven to be invaluable in helping analysts understand the nature of the environment for a given organization, it is also, as I have noted in previous chapters, in itself a valuable new level of analysis for investigating social systems and processes. Some of the most important organizational scholarship of the past four decades has examined the origin, structuration, and change and/or decline of organization fields. Some of these studies have already been discussed in earlier chapters and additional work is reviewed later in this chapter (see also Fligstein and McAdam 2012; Thornton et al. 2012; Wooten and Hoffman 2008).

As Martin (2011) insists, the existence of a field is a matter to be empirically determined:

Whether a set of persons [or organizations] or their actions actually forms a field must be an empirical question and cannot be true by definition or methodology. A field theoretic analysis requires
that the positions of persons [or organizations] in a field must be based on their orientations to each other, either directly through their interpersonal relations or in a mediated manner via shared goals. (pp. 269–270)

At the same time, the boundaries of the field are set in part by heuristic processes: allowing investigators to pursue those matters of prime interest to them and/or their subjects.

The concept of organization field celebrates and exploits the insight that “local social orders” constitute the building blocks of contemporary social systems. It urges the benefits of the “meso level of theorizing,” which recognizes the centrality of these somewhat circumscribed and specialized realms in the construction and maintenance of social order (Fligstein 2001b: 107). The field concept is productively employed in examining delimited systems ranging from markets to policy domains to the less structured and more contested arenas within which social movements struggle. Thus, as Hoffman (1997) has argued, fields can be created around an issue as well as a set of products or services. The field of environmental protection joins together participants from selected industries, governmental agencies, and environmental activists as, over time, each of these groups attempts to influence and react to the control efforts of the others. It is this conception of organization field—as a contested arena within which multiple types of players pursue their interests and defend their turf—that has been adopted and developed by Fligstein and McAdam (2012) as they develop the links between organization studies and social movements (see also Davis, McAdam, Scott, and Zald 2005).

The field concept also fulfills a vital role in connecting organization studies to wider, macro structures—sectoral, societal, and transnational. Organizations are themselves major actors in modern society, but to understand their broader significance, it is necessary to see their role as players in larger networks and systems. As I have argued, most organizations engage with not one, but multiple fields and are subject to multiple institutional logics. Pizarro (2012) suggests that organizations operate within a “sectoral field”—one containing their primary competitors and exchange partners and defined by a shared logic—but also within a “contested field” comprising other types of players in diverse fields motivated by different logics, who attempt to influence the behavior of the focal organization. Organization fields not only reflect many of these conflicts, both in relational patterns and logics, but help to mediate and broker among them as an important component of social change processes. As DiMaggio (1986: 337) asserts, “the
organization field has emerged as a critical unit bridging the organizational and the societal levels in the study of social and community change.”

KEY COMPONENTS OF ORGANIZATION FIELDS

While it is possible to identify the presence of regulative, normative, and cultural-cognitive elements at work in all organization fields, for empirical purposes it is helpful to focus attention on a number of key components that vary among fields.

Institutional Logics

As discussed in Chapter 4 and elsewhere in this volume, institutional logics call attention to shared conceptual frameworks that provide guidelines for the behavior of field participants (Friedland and Alford 1991; Thornton et al. 2012). They comprise both normative and cultural-cognitive elements. Some of these logics provide the basis for field construction, allowing a “shared understanding of what is going on in the field,” while other more limited logics offer different and competing cognitive frames for subsets of participants in varying field locations (Fligstein and McAdam 2012: 10–11). Moreover, as Friedland and Alford (1991) first emphasized, multiple frameworks are available within developed societies, which are differentiated around numerous specialized arenas—political, political, economic, religious, kinship, and so on—and each is governed by a different logic. Organizations, working at a meso level within these arenas, are hence confronted by, and have available to them, multiple often contradictory logics:

Some of the most important struggles between groups, organizations, and classes are over the appropriate relationships between institutions, and by which institutional logic different activities are to be regulated and to which categories of persons they apply. Is access to housing and health to be regulated by the market or by the state? Are families, churches, or states to control education? Should reproduction be regulated by state, family, or church? (Friedland and Alford 1991: 256)

Thus, institutional logics vary in their content—the nature of beliefs and assumptions—but also in their penetration or “vertical
depth” (Krasner, 1988). For example, Fligstein (2001a: 32) distinguishes between “general societal understandings about how to organize firms or markets . . . and specific understandings about how a particular market works.” Institutional logics also vary in their breadth or extent of horizontal linkage (Krasner, 1988). One of the most significant predictors of institutional stability and influence is the extent to which it is compatible with or complementary to related institutional arrangements (Hall and Soskice 2001a: 17). Finally, institutional logics within a field vary in terms of their exclusiveness or, conversely, the extent to which they are contested (Scott 1994a: 211).

Another concept that has proven helpful in examining cultural-cognitive systems is that of cultural frame. Goffman (1974: 21) first employed the concept to refer to “schemata of interpretation” that enable individuals “to locate, perceive, identify, and label” events occurring to them in ways that establish their meaning. The concept was employed after modification by David Snow and colleagues, who eschewed the noun for the verb, emphasizing *framing processes* in order to better inform social movement theory (Benford and Snow, 2000; Snow, Rochford, Worden, and Benford 1986). As Benford and Snow (2000) note, “This denotes an active, processual phenomenon that implies agency and contention at the level of reality construction. It is active in the sense that something is being done, and processual in the sense of a dynamic, evolving process” (p. 614).

The concept of framing has proved to be useful to social movement theorists who realized that much of the work of activist and reform groups involves a “reframing” of issues and problems in ways that illuminate injustice or identify possible ways forward (McAdam 1996; Zald 1996). In short order, also, the concept was embraced by organizational and institutional scholars.

In their study of the recycling industry, Lounsbury, Ventresca, and Hirsch (2003) describe the contest waged between two competing visions—“field-level frames”—for managing solid waste. Favored during the 1970s was the waste-to-energy (W-T-E) model that involves capturing usable energy from the burning of trash. This approach created opposition among environmental activities who promoted an alternative frame that favored recycling—the collection and breaking down of materials such as paper and glass that can be remanufactured into consumer products. The recycling view remained marginal until it was repackaged from a volunteer model into a for-profit model supported by federal, state, and local legislation to resist the building of incinerators and encourage recycling efforts. Lounsbury and colleagues prefer the concept of framing to that of institutional logic.
because, for them, the latter is “conceptualized as exogenous to actors,” whereas the former emphasizes “the more active struggles over meanings and resources” occurring among actors in the field (p. 72). The researchers tracked changes in discourse reflected in the meetings of the Solid Waste Association of North America and its trade magazine as well as archival sources such as Congressional hearings and to obtain cognitive representation of how key industry issues were thought about and discussed. In addition, multiple interviews were conducted with a variety of field actors. Attention to cultural frames stresses “the interweaving of structures of meaning and resources as well as their wider cultural and political context” (Hoffman and Ventresca 1999).

Frames can unify as well as divide. In closely related work, Beamish and Biggart (2012) employ the term social heuristic to refer to an interpretative frame and decision making model that embodies collectively held understandings that provide a socially defensible foundation for actors’ decisions. They studied the emergence of a social heuristic within the commercial construction industry that led developers, financiers, construction firms, contractors, and regulators to embrace a “default design” reflecting shared standards and guidelines for developing a commercial building. While this heuristic greatly simplifies decision making and reduces transaction costs among all parties, it framed these buildings as conservative financial investments and inhibited the consideration of innovative practices that could lead to improved energy efficiency, enhanced aesthetics, or improvements in building design.

Another useful concept linking culture and social structure was first introduced into the analysis of social movements by Charles Tilly. Tilly (1978: 143) was among the first to point out that even apparently “disorganized” and disruptive behaviors were likely to take on “well-defined forms already familiar to the participants,” including collective actions such as strikes, rallies, and demonstrations. Moreover “given the innumerable ways in which people could, in principle, deploy their resources in pursuit of common ends . . . at any point in time, the repertoire of collective actions available to a population is surprisingly limited” (p. 151). If such an observation holds for social movements, which tend to operate under less structured conditions, think how much more applicable it is to the world of everyday organizations operating in settled fields. As Hoffman (1997) observes:

The institutional environment, in large part, defines the range of the organizational reality. In setting strategy and structure, firms
may choose action from a repertoire of possible options. But the range of that repertoire is bound by the rules, norms, and beliefs of the organizational field. (p. 148)

Clemens (1996; 1997) connects the idea of repertoires of collective action to that of organizational archetype (see Chapter 5 and below). She suggests that any field contains a limited repertoire of organizational forms that themselves contain a limited set of culturally defined tools (Swidler 1986) or repertoires of collective action. Clemens also suggests ways in which social movement organizations participate in inducing institutional change, work I review in a later section.

Concepts such as institutional logics, organizational archetypes, framing processes, and repertoires of collective action help us better understand the ways in which cultural-cognitive models act both to constrain and to empower social action. By providing clear templates for organizing—whether designing structures, strategies, or procedures—institutional forms constrain actors from selecting (or even considering) alternative forms and modes, on the one hand, but, on the other, provide essential support for actors carrying on the selected activities in the guise of comprehensibility, acceptability, and legitimacy.

**Actors**

A great variety of actors populate social landscapes. Although they (we) are biological creatures, they (we) are also social constructions, possessing institutionally defined identities including capacities, rights, and responsibilities. The institutional elements at work are primarily cultural-cognitive, especially in their constitutive capacity, and normative. The types of actors include (1) individuals (e.g., in the health care sector, a specific doctor), (2) associations of individuals (e.g., the American Medical Association), (3) populations of individuals (e.g., patients, physicians, nurses), (4) organizations (e.g., the Stanford University hospital), (5) associations of organizations (e.g., multi-hospital systems), and (6) populations of organizations (e.g., hospitals or nursing homes; Scott, Ruef, Mendel, and Caronna 2000).

In a typical organization field, one expects to observe a delimited number of models, both for individual actors (roles) and for collective actors (archetypes). As described in Chapter 5, Greenwood and Hinings’ (1993) concept of organization archetype provides a useful mode of characterizing the ways in which a given interpretive scheme or conceptual model is embodied within organizational structure and its operating systems. Of course, the extent to which organizational activities
correspond with the model is always a matter for empirical investigation, but archetypes provide templates around which rules, administrative systems, and accounts of activities can be structured. Following the lead of population ecologists as well as “configurational” arguments (Van de Ven and Drazin, 1985), Greenwood and Hinings (1993: 1058) propose that field-level pressures will encourage organizations to utilize structures and systems that manifest a single underlying interpreting scheme, and that, once adopted, organizations tend to retain the same archetypes.²

Attention to the power of organizational archetypes underlines the importance of the constitutive properties of cultural-cognitive elements: their capacity in the guise of typifications, scripts, or conceptions of agency to provide the forms and “categories and understanding that enable us to engage in economic and social action” (Dacin, Ventresca, and Beal 1999: 329; see also DiMaggio 1994: 35). And as emphasized in previous chapters, both individual and collective actors serve as the creator and carrier of institutional elements, including logics as well as ways of thinking and working.

Following Bourdieu (1986), actors control and compete for capital, including various forms of economic, social, and cultural resources. What is valued depends on the way in which the field is constructed. Indeed, “a capital does not exist and function except in relation to a field” (Bourdieu and Wacquant 1992: 101). Fligstein and McAdam (2011: 13) emphasize this conception of fields as competitive arenas, insisting that the most important distinction involving actors to be made by field analysts is that between incumbents—those actors in control of the most important types of capital—and challengers—those actors with relatively little influence but “awaiting new opportunities to challenge the structure and logic of the system.” This conception emphasizes the need to take into account the role of peripheral, subjugated actors who may come together in coalitions, as well as less inchoate social movements struggling to mobilize around a collective action project.

Most fields include a limited variety of organizational forms (populations) that constitute the primary modes of producer organizations (e.g., various types of provider organizations in the health care sector, colleges in higher education), along with those different, supporting organizations that supply essential resources, including funding and exercise controls. In addition, it is important not to overlook the critical role played in most fields by a variety of intermediary organizations and occupations, for example, stock analysts in markets or such information brokers as librarians, computer scientists, and rating agencies. For example, Wedlin (2006) examines the surprisingly influential role
recently played by media organizations such as the Financial Times and Wall Street Journal in structuring the international field of management education with their rankings of business schools. These rankings helped to shape the status structure of these programs and to assist in constructing distinctions around which schools shaped their identities, for example, the amount of emphasis placed on academic versus business capital, or the boundary drawn between a European versus an American model (the former more likely to be independent, the latter, inside or tied to a university). Wedlin (2006: 170) argues that “the rankings are not just reflections of the field; they are also part of creating the field and the boundaries of the field . . . [helping to shape] both mental and social structures.”

Another example of the importance of intermediaries is provided by research conducted by Jooste and me (Jooste and Scott 2011) in our study of private-public partnerships engaged in infrastructure construction projects. Because such partnerships represent new ways of working for many governmental agencies, they need assistance in creating capacity to negotiate and manage the complex contracts involved. While some of these skills may be available in or added to the public bureaucracy, we observed that in many situations, these skills were lodged in external organizations that emerge to participate in what we term an “enabling field” of project participants. Such organizations include public and nonpublic regulators, transaction advisors, advocacy associations, and local, regional, and multinational development agencies.

When we talk about the changing “structure” of a field, we refer not only to more regularized patterns of interaction among the main players, but also to growth in the number and importance of organizations whose principal function is to oversee, steer, and mediate the transactions among the primary players. (Jooste and Scott 2011: 389)

Relational Systems

DiMaggio and Powell’s (1983) original conception focused much attention on the relational systems linking organizations into larger networks. Similar to DiMaggio and Powell, Meyer and I (Scott and Meyer 1983) stressed relational or structural features at the field (or sector) level, as discussed in Chapter 7. And in a related fashion, in his discussion of business systems, Whitley (1992b) examines the extent of specialization within firms, whether market ties are characterized by
arms-length or more relational contracting, and variety of authority and coordination mechanisms at the system level. More so than other organizational scholars at the time, in his examination of corporate systems at the societal level, Fligstein (1991: 314), like Bourdieu, stressed the centrality of power and control processes—“the ability of a given organization or set of organizations to capture or direct the actions of the field.” For Fligstein (1990: Ch. 1), the relevant relations for large corporations are (1) those involving other, similar organizations and (2) those with the nation-state, which is in a position to ratify settlements or modify the terms of competition. Other scholars, such as Podolny (1993) and Washington and Zajac (2005), highlight the role of status processes, as more or less prestigious actors work to shape the directions of field development.

An important subset of relational systems are the governance systems that operate at the field level. Governance systems are “those arrangements which support the regularized control—whether by regimes created by mutual agreement, by legitimate hierarchical authority or by non-legitimate coercive means—of the actions of one set of actors by another” (Scott et al. 2000: 21). Each organization field is characterized by a somewhat distinctive governance system composed of a combination of public and private actors employing a combination of regulatory and normative controls over activities and actors within the field. Among the common actors exercising these functions are public regulatory bodies, trade associations, unions, professional associations, nongovernmental organizations (NGOs), and judicial systems. For a sampling of empirical studies of field governance systems, see Brunsson and Jacobsson’s (2000) examination of standard-setting by professional associations, Campbell and colleagues’ study of the governance of economic sectors (Campbell, Hollingsworth, and Lindberg 1991; Campbell and Lindberg 1990; 1991), Djelic and Quack’s (2003b) and Djelic and Sahlin-Andersson’s (2006) collection of studies of transnational regulatory systems, Holm’s (1995) study of Norwegian fishing regimes, and our study of the changing governance systems controlling health care delivery organizations in the United States (Scott et al. 2000).

**Organization Field Boundaries**

Like all social systems, organization fields are, by nature, open systems. This means that any attempt to determine their boundaries must involve some combination of science and art. As noted, field boundaries must be empirically determined, but because social systems
comprise many ingredients, analysts must choose from among a variety of indicators (Scott and Davis 2007: 152–155). These include a focus on actors (e.g., membership boundaries), on activities (e.g., identifying common repertories), on relations (e.g., interaction networks), or on cultural markers (e.g., shared normative frameworks, cultural beliefs, contentious issues). Laumann, Marsden, and Prensky (1983: 21) also identify two approaches to boundary construction: a “realist” approach that adopts the “vantage point of the actors themselves in defining the boundaries” of the system versus a “nominalist” approach in which the investigator “imposes a conceptual framework constructed to serve his own analytic purposes.” Moreover, in addition, both spatial and temporal boundaries must be established.

Spatial Boundaries

Actors are located in specific spaces, and for many years space was conceived primarily in geographical dimensions—in terms of propinquity. For many kinds of activities, being physically close, operating in the same locality, remains an important consideration. Indeed, analysts have recently emphasized the continuing importance of co-location for understanding organizational functioning (Marquis, Lounsbury, and Greenwood 2011). Nevertheless, a part of the genius of the field concept is its recognition of the significance of relational and cultural connections, regardless of how distant. For many contemporary organizations, nonlocal ties are more fateful than proximate ones, for example, the relation between local firms and their headquarters office or between companies and state or federal agencies.

The drawing of boundaries is always a somewhat arbitrary process in our highly interconnected social worlds, but the boundaries selected need to serve the analytic focus of the study: What is the primary question being addressed? Sometimes, boundaries are misspecified. McAdam provided an instructive example of this problem when he returned some years later to examine his analysis of the U.S. civil rights movement (McAdam and Scott 2005). He notes that his initial study of the factors leading to the success of this effort focused exclusively on domestic change processes, discounting the importance of the role played by the Cold War (McAdam 1982). Subsequent work by Dudziak (1988), McAdam (1999), and others stressed the role of competition with the Soviet Union in prompting President Truman and other federal officials to embrace civil rights reforms. A full understanding of this movement called for attention to international as well as domestic relations and meanings.
The variety and flexibility of spatial field boundaries can be illustrated with two examples. As noted earlier, Fligstein (1990; 1991) studied changes in the structure of the 100 largest nonfinancial corporations in the United States from the period 1920 to 1980. He began with the more conventional view of a field as demarcated by product or service markets, but during the period of study, organizations began to diversify, entering into multiple markets. Fligstein argues that, over time, the field boundaries of these firms shifted so that the largest corporations increasingly operated in a field comprising other actors like themselves. Fligstein hence constructed his sample of the 100 largest corporations during each decade, even though the composition of this sample changed over time. An important part of his analysis was to ascertain whether the changes observed were due to the changing composition of the top 100 or to the structural adaptations made by the largest corporations. (More details on this study are provided in the next section.)

A second example of setting field boundaries is provided by the research my colleagues and I have conducted on global infrastructure construction projects (Scott, Levitt, and Orr 2011). For some of these studies, we conceptualized three interrelated fields:

1. the field of global infrastructure players, comprising a finite collection of multinational corporations that constitute the major players in these projects, a small number of law firms specializing in international construction, a set of key bankers and developers, multilateral agencies such as the World Bank that provide both funding and oversight, and a variety of professional associations and NGOs that help to set standards and safeguard environmental and human rights

2. the organization field of the host community for a specific project at the time the project commences, including the specific project company and affiliates; relevant government organizations, possibly at local, regional, and state levels; individuals and organizations residing in the project area; social movement organizations with environmental or human rights concerns; and potential beneficiaries and end-users of the facility being constructed

3. the new organization field created by the existence and development of the project, including the project company as it has developed over time, the other types of players included in field 2 as they have changed in response to the developing project, and a set of entirely new players who have arisen in either support of or opposition to the ongoing projects (Scott 2011).
In short, global projects operate at a scale sufficiently large that they always disrupt and may transform the organization fields they enter (see Khagram 2004). It is because such projects are so intrusive and activate new sources of support and resistance that so many of them fail to be successful, in either financial or operational terms. A consideration of the state of a field before and after some event leads naturally to the topic of temporal boundaries.

**Temporal Boundaries**

 Particularly as students of institutional systems have shifted their primary attention from organizational and institutional structures to examine the nature of organizational and institutional change, investigators have been confronted with decisions regarding the appropriate time frame within which to cast their study. Campbell (2004: Ch. 2) provides a helpful discussion of factors affecting this choice, including the differing rhythms exhibited by processes, theoretical orientation, level of analysis, pragmatic methodological considerations (e.g., availability of appropriate data), and attention to critical events affecting the process. I would hazard two generalizations about recent research on organization fields: (1) the most interesting and informative studies of the past several decades of organizations and institutions have been those employing a longitudinal perspective, and (2) too many of these studies suffer from designs whose time periods are too short to enable one to adequately comprehend the processes at work. This failure is especially damaging to scholars interested in assessing the causes and consequences of changes in normative and cultural-cognitive elements. As Roland (2004) reminds us, some institutional elements, such as administrative directives or policy prescriptions (regulative elements), are “fast-moving,” while others, such as conventions, routines, habits, and logics (normative and cultural-cognitive elements), are “slow-moving,” unfolding over several years or decades, if not centuries.

Paul Pierson (2004: Ch. 3) provides an illuminating discussion of various types of slow-moving causal processes. He begins by differentiating between the time horizons of causes and of outcomes. Some types of causes, such as conditions leading to a revolution, may take place over very long periods; similarly, some types of outcomes, such as state-building, may go on for extended periods. He differentiates between three types of slow-moving causal processes: (1) cumulative causes, involving the long-term build-up of incremental changes; (2) threshold effects—processes that have modest effects until they
reach some critical level; and (3) causal chains, in which the particular sequence of development has a strong effect on the outcomes observed. Pierson provides less detail regarding varieties of slow-moving outcomes, but it seems obvious that these are particularly likely to occur in highly institutionalized arenas because of the entrenched nature of many of these arrangements. Work by Greenwood and Hinings (1996) provides some help. They point out that the rate of institutional change is affected by (1) the extent to which a given institutional field is tightly coupled with related fields—the more tightly coupled, the slower the change—and (2) variations in internal organizational dynamics—the more that some subset of actors who have access to power are advantaged by change, the more rapidly changes will occur.

FIELD STRUCTURATION PROCESSES

Multiple Levels

As described in Chapter 4, Giddens (1979; 1984) defines the concept of structuration quite broadly to refer to the recursive interdependence or social structures and activities. The verb form is intended to remind us that structures exist only to the extent that actors engage in ongoing activities to produce and reproduce, or change them. In applying the concept to organization fields, DiMaggio and Powell (1983; DiMaggio 1983) employ the term field structuration more narrowly to refer to the extent of interaction and the nature of the interorganizational structure that arises at the field level. As noted earlier, the indicators proposed to assess structuration include the extent to which organizations in a field interact and are confronted with larger amount of information to process, the emergence of “interorganizational structures of domination and patterns of coalition,” and the development of “mutual awareness among participants in a set of organizations that they are engaged in a common enterprise” (DiMaggio 1983: 148). To these indicators, others can be added, including extent of agreement on the institutional logics guiding activities within the field or on the issues around which participants are engaged, increased isomorphism of structural forms within populations in the field (i.e., organizations embracing a limited repertoire of archetypes and employing a limited range of collective activities), increased structural equivalence of organizational sets within the field, and increased clarity of field boundaries (see Scott 1994a; Scott et al. 2000: Ch. 10).
Earlier I stressed the important locus of the organization field as an intermediate unit between, at micro levels, individual actors and organizations and, at macro levels, systems of societal and trans-societal actors. Figure 8.1 depicts a generalized multilevel model of institutional forms and flows. Trans-societal or societal institutions provide a wider institutional environment within which more specific institutional fields and forms exist and operate, and these, in turn, provide contexts for particular organizations and other types of collective actors, which themselves supply contexts for subgroups and for individual actors. Various top-down processes—constitutive activities, diffusion, translation, socialization, imposition, authorization, inducement, imprinting (see Scott 1987)—allow “higher-level” (more encompassing) structures to shape, both constrain and empower, the structure and actions of “lower-level” actors. But simultaneously, counter-processes are at work by which lower-level actors and structures shape—reproduce and change—the contexts within which they operate. These bottom-up processes include, variously, selective attention, interpretation and sense-making, identity construction, error, invention, conformity and reproduction of patterns, compromise, avoidance, defiance, and manipulation (see Oliver 1991). Research by Schneiberg and Soule (2005) on the changing forms of rate regulation of fire insurance by several U.S. states during the beginning of the 20th century depicts policies resulting from “contested, multilevel” processes as competing regimes developed in different regions of the country. Forces at work in crafting a “middle way,” which subsequently became widely adopted, included within-state differences in the power of relevant associations, attention to policies adopted by neighboring states, and decisions at the national level by the U.S. Supreme Court.

Early institutional sociologists emphasized top-down processes, focusing on the ways in which models, menus, and rules constitute and constrain organization-level structures and processes. Institutional economists and rational choice political scientists continue to focus on bottom-up processes as actors pursue their interests by designing institutional frameworks that solve collective action problems or improve the efficiency of economic exchanges. These scholars have now been joined by social movement researchers whose views considerably expand the types of actors, motives, and actions engaged in institutional change. Also, more recent work by a broad range of sociologists and management scholars, described in Chapter 4, has stressed the importance of attending to “institutional work” as actors strive to either reproduce, challenge, or change existing structures. In addition, other scholars emphasize the interweaving of top-down and bottom-up
processes as they combine to influence institutional phenomena (Powell and Colyvas 2008). For example, we previously discussed the studies by Edelman and associates (Edelman 1992; Edelman et al. 1999) and Dobbin and associates (Dobbin 2009; Dobbin and Sutton 1998; Dobbin, Sutton, Meyer, and Scott 1993), who explore how top-down regulative processes initiated by federal agents trigger collective sense-making processes among personnel managers, who construct new structures and procedures that are reviewed and, eventually, authorized by the
federal courts. Regulative (federal laws), normative (professional managerial codes), and cognitive (sense-making) processes are connected in complex and changing mixtures.

In formulating a recursive, iterative model of institutional change, Holm (1995) proposes that it is helpful in examining the processes connecting adjacent levels to distinguish between two nested types of processes: “practical” versus “political” actions. The former are actions taken within a given framework of understandings, norms, and rules, serving to reproduce the institutional structure or, at most, stimulate incremental changes. The latter, political processes are actions whose purpose is to change the rules or frameworks governing actions. For example, explicit rules govern the activities of professional sports teams, but from time to time, team representatives and officials meet to review and make alterations in the rules based on accumulated experiences or specific problems encountered. While in some cases changes in rules are based on collective mobilization and conflict, in many organized systems formal structures are in place to support routine reviews of and revisions in rule systems. The creation of such formalized decision-making and governance systems serves to institutionalize the process of institutional change.

Widening Theoretical Frameworks

In addition to employing more multilevel and recursive models in institutional studies, institutional scholars have begun to widen their theoretical frames, taking advantage of ideas and approaches developed in related areas. I have already discussed, in Chapter 6, the constructive connections being developed between students of the legal environment and institutionalists. Edelman and Suchman (1997) distinguish three dimensions of legal environments relevant to organizational studies. Legal systems offer a “facilitative” environment, supplying tools, procedures and forums that actors can employ to pursue goals, resolve disputes, and control deviant and criminal behavior within and by organizations (see Sitkin and Bies 1994; Vaughn 1999). They provide a “regulatory” environment consisting of a set of “substantive edicts, invoking societal authority over various aspects of organizational life” (Edelman and Suchman 1997: 483; see also Noll 1985). And, most fatefully, they offer a “constitutive” environment that “constructs and empowers various classes of organizational actors and delineates the relationships among them” (Edelman and Suchman 1997: 483; see also Scott 1994c). Edelman and Suchman suggest that we need much more research on the ways in which constitutive legal
processes function to construct interorganizational relations (e.g., tort law, bankruptcy law), construct distinctive forms of organization structure (e.g., corporate law), and contribute to an underlying cultural logic of “legal-rationality.”

Another rapidly developing intersection, noted earlier, is that between social movement theory and institutional change. For many years, social movement theory has productively borrowed from organizational theory as Mayer Zald, John McCarthy, Charles Tilly, and others showed us how collective movements, if they were to be sustained, required the mobilization of resources and leadership to create social movement organizations (Zald and Ash 1966). And as numerous movement organizations pursued similar types of reforms, they identified social movement industries or fields within which such similar organizations competed, cooperated, and learned from each other (McCarthy and Zald 1977). Social movements have become more organized, and as the more nimble and flexible newer forms of organizations become more movement-like, the flow of ideas between the two fields has increased apace as institutional scholars learn from social movement scholars (Davis et al. 2005).

Among their contributions to institutional theory, social movement scholars have called attention to the openings and opportunities provided to suppressed groups and interests by the contradictions or inconsistencies in political institutions or governance structure, the mobilizing processes that give rise to new kinds of organizations, and the reframing processes that involve the creative construction of new meanings and identities enabling new possibilities for collective action (McAdam, McCarthy, and Zald 1996: 2–3; McAdam and Scott 2005: 14–19; Schneiberg and Lounsbury 2008; Snow, Soule, and Kriesi 2004).

All of these ideas are brought to bear by Elisabeth Clemens (1993; 1997) in her analysis of women’s political groups at the turn of the 20th century in the United States. Lacking access to normal forms of political action (the right to vote), they “adapted existing nonpolitical models of organization for political purposes” (Clemens 1993: 758). The repertoire of collective action—the “set of organizational models that are culturally or experientially available” for women at this time and place—included unions, clubs, and associations. Employing these conventional models in unconventional ways mobilized around new purposes led to significant institutional change.

At the institutional level, women’s groups were central to a broader reworking of the organizational framework of American politics: the decline of competitive political parties and electoral
mass mobilization followed by the emergence of a governing system centered on administration, regulation, lobbying, and legislative politics. (Clemens 1993: 760)

A neglected area of study has been the processes at work in the transitional period during which successful movement objectives are “handed off” to legislatures and public agencies for follow-through and implementation. In our study of advocacy groups for youth development in urban areas, we have observed the ways in which issues and objectives are reframed and revised as the action moves “from the streets to the suites” (McLaughlin, Scott, Deschesne, Hopkins, and Newman 2009).

Institutional theory will benefit greatly by continuing to cultivate connections with law and society scholars and with social movements theorists, as well as with other rapidly developing research communities, such as network theorists (Nohria and Eccles 1992; Smith-Doerr and Powell 2005), students of society and accounting (Hopwood and Miller 1994), economic sociology (Dobbin 2004; Smelser and Swedberg 1994; 2005), technical and institutional innovation (Hargrave and Van de Ven 2006; Van de Ven and Garud 1986), and international and comparative management (Ghoshal and Westney 1993; Guillén 2001b; Hofstede 1991; House, Hanges, Javidan, Dorfman, and Gupta 2004; Miller and Lessard 2000; Peng 2003; Scott et al. 2011). All of these communities can bring theoretical insights and useful methodologies to our understanding of institutions and institutional change processes.

Selected Studies of Field Structuration

Evolving Corporate Structures

We can better understand some of the forces and mechanisms at work in field-level change processes if we approach them as they were observed in a few studies of particular fields operating in specific times and places. We begin by revisiting Neil Fligstein’s study (1990; 1991) of changes in the structure of large U.S. corporations during the 20th century (see Chapter 7). This research is particularly effective in pursuing three aspects of field structuration: the interplay of (1) private power and public authority, (2) ideas and interests, and (3) field logics and internal organization processes. We review each.

Recall that Fligstein’s study examined a (changing) sample of the 100 largest nonfinancial corporations during the period 1920 to 1980. These companies became increasingly diversified throughout
Institutional Processes and Organization Fields

this period, but the diversification strategies varied over time, in part due to changing federal antitrust policies.

Whereas Alfred Chandler’s (1977) detailed history of changes in corporate structure stresses the role of market forces and managerial strategic decisions, as described in Chapter 5, Fligstein reminds us of the power of the nation-state, not only to ratify institutional settlements enforced by the dominant companies in an industry, but also to establish and change the general rules governing competitive practices and growth strategies for all firms. For Fligstein (2001a) markets are not simply arenas of competition but organization fields whose members, in combination with state agencies, attempt to produce a social world stable enough that they can sell [their] goods and services at a price at which their organization will survive. Managing people and uncertain environments to produce stability is a sizable task. . . . The theory of fields implies that the search for stable interactions with competitors, suppliers, and workers is the main cause of social structures in markets. (p. 18)

Fields are vehicles for producing some stability and order for their members.

As for the interplay of ideas and interests, Fligstein (2001a: 15–20), more than most analysts, employs what he terms a “political-cultural” approach melding the role of cultural-cognitive elements or interpretive frameworks with the play of power among actors struggling to achieve a “system of domination” that will serve their interests. Fields are arenas for the interplay of contests between incumbents, who benefit from existing arrangements, and challengers, who seek to change the rules to advance their own interests. Governments, which can be conceived as a “set of fields,” interact with markets, another set of fields, imposing rules to help insure stability.

Fligstein asserts that the changing strategies reflect changing institutional logics regarding competitive practices and growth strategies. But what is the process by which field logics result in organizational change? One obvious mechanism is environmental selection: firms not pursuing the favored strategy were more likely to drop out of the sample of largest corporations over time, particularly during the later period (Fligstein 1991: 328). Another mechanism explored by Fligstein is that changes in field logics trigger political processes within organizations so that corporations changed the criteria used to select their CEO. Fligstein (1991) categorizes CEOs in terms of their background under the assumption that
a manufacturing person will tend to see the organization’s problems in production terms, a sales and marketing person will tend to view the nature, size and extent of the market as critical to organizational survival, and a financial person will see the basic profitability of firm activities as crucial. (p. 323)

Empirically, he shows that the hiring of a CEO with a manufacturing background was associated with the subsequent adoption of a “dominant” strategy focusing on a single market; the hiring of a CEO from a sales background was associated with the adoption of a strategy of diversification into related markets; and the hiring of a CEO with a financial background was associated with the adoption of a strategy of diversification into both related and unrelated markets. As we have discussed, Greenwood and Hinings (1996) generalize these arguments by embracing Cyert and March’s (1963) conception of organizations as coalitions of participants holding varying interests. Changes in field logics are likely to be viewed as advancing the interests of some types of organizational participants and as undercutting those of others. In this manner they propose to link the “old” institutionalism that focused more on power processes within organizations (think Selznick) with the “new” institutionalism that stresses field-level templates and logics.

Destructuration of a Health Care Field

My colleagues and I (Scott et al. 2000) elected to study health care delivery in the United States because this appeared to represent an instance of a relatively settled and stable institutional arena which, in the past few decades, has become increasingly unstable and conflicted. For our primary empirical data, we focused on changes in health care delivery systems within a limited geographic area—the San Francisco Bay area—but in accounting for these developments we included actors and forces at state and national levels. Data were collected to cover a 50-year period, from 1945 to 1995.

In order to empirically capture changes in the field, we selected three components on which to gather date:

• changes over time in the types and numbers of social actors—both individual (roles) and collective actors (organizations)

For example, we measured changes in the number and types (specialties) of physicians, changes in the membership of leading
professional associations, and changes in the major organizational forms (archetypes) comprising the delivery systems, including physician groups, hospitals, home health agencies, health maintenance organizations (HMOs), renal dialysis units, and integrated healthcare systems. We also assessed changing relational connections among these various forms, such as clinics and home health agencies contracting with hospitals or hospitals joining integrated healthcare systems (Scott et al. 2000: Ch. 3).

I can think of no better single indicator for assessing change in an organization field than tracking changes in the number and types of organizations that operate within its boundaries. Organization archetypes are critical aspects of the field’s “structural vocabulary.” During the period of our study, the number and size of medical clinics, home health agencies, HMOs, and specialized treatment units such as dialysis centers expanded greatly, while the overall number and size of hospitals remained relatively stable. Given that the population of the region more than tripled during this time, the lack of expansion in hospitals, the traditional delivery unit, indicates that they were being displaced by other types of organizations. Of equal significance are the new types of organizations that emerged. Newcomers such as home health agencies, staffed largely by nurses who deliver care in patients’ homes, and HMOs, which were designed to ensure that physicians are financially at risk for failing to control costs incurred by the care they prescribe, represent radically different approaches to health care delivery. These forms embodied novel organizational archetypes that challenge earlier models.

Of course, it is possible for existing organizations to change their archetype, substituting one template or “interpretive scheme” for another, as Greenwood and Hinings (1993) as well as Fligstein (1990) have demonstrated. However, both of these studies focused attention on a single population of organizations, municipal governments or large corporations. A distinctive advantage of field-level designs is that they widen the lens, allowing researchers to observe the rise of new forms that challenge, and sometime replace, existing forms. And although it appears that we are interested primarily in structural and relational changes—merely counting organizations—we are in fact attending to the constitutive work of changing cultural-cognitive beliefs as reflected in the organization archetypes.

- changes over time in the institutional logics that guide activities in the field
Multiple indicators were employed to ascertain changes in logics, including changing patterns in the financing of health care, changes in public policy at the state and federal levels, changes in consumer beliefs regarding health care, and changes in professional discourse as revealed by a textual analysis of articles appearing in physician-oriented and health care administration journals (Scott et al. 2000: Ch. 6). The use of such archival sources to reveal changes over time in the meaning structures employed to interpret and guide actions of field participants provides a promising avenue for assessing the codependence of cultural and structural elements (Ventresca and Mohr 2002).

Composite indicators suggest that three contrasting institutional logics were dominant during different periods. Up to the mid-1960s, the dominant logic was an overriding concern with quality of care as defined and assessed by medical providers. In the mid-1960s, this logic was joined with a political logic emphasizing improved equity of access—the defining event being the passage of Medicare-Medicaid legislation in 1965. Somewhat later, in the early 1980s, yet another logic was introduced emphasizing the importance of cost containment measures employing both market and managerial controls. None of the three logics—each of which was associated with differing types of actors—succeeded in replacing the others. The unresolved contradictions and conflicts among these logics have greatly reduced the coherence and stability of field structure.

- **changes in governance structures that oversee field activities**

As defined earlier in this chapter, governance structures are combinations of public and private, formal and informal systems that exercise control within the field. During the period of our study, dramatic changes were observed in the kinds of actors exercising control and in the mechanisms employed. During the first half of the 20th century, the health care delivery field was firmly under the control of a hegemonic professional group—doctors of medicine. Having warded off a variety of rival claimants for jurisdiction over the field (see Starr 1982), subordinated a variety of ancillary groups (see Freidson 1970), and secured the backing of the several U.S. states exercising their licensure power, the medical establishment ruled by moral authority, exercising normative control, reinforced by state power, over the field.

As already described, by the mid-1960s fragmentation of physician interests and the coming to power of the Democrats resulted in the passage of the Medicare-Medicaid legislation, which overnight made the
federal government the largest single purchaser of acute care and hospital services. Paying for a substantial proportion of the bills—which resulted in increasing demands—public authorities became more and more active in regulating health services. The number of health-related regulatory bodies operating at county, state, and national levels governing the Bay Area grew from a handful in 1945 to well over 100 agencies (Scott et al. 2000: 198). The normative power of the medical establishment, while weakened, remained in force but was now joined by public regulative powers.

Beginning in the early 1980s, new approaches to cost containment were introduced based on neoliberal economic assumptions regarding the effectiveness of more businesslike and market-based approaches. For-profit delivery systems were endorsed featuring stronger managerial controls, and incentives were employed to encourage patients to consume fewer services and providers to restrict treatments. New “health plans” emerged to define benefits, collect payments, and enlist panels of eligible providers. Thus, added to the mix of professional and public controls were private market and managerial governance mechanisms (Scott et al. 2000: 217–235).

Some time ago, Meyer and I argued that it is useful to view an organization’s legitimacy as varying by the extent of coherence in the cultural environment underlying it—“the adequacy of an organization as theory. A completely legitimate organization would be one about which no question may be raised” (Meyer and Scott 1983a: 201; emphasis in original). From this perspective, given the inconsistency of views regarding healthcare expressed by professional, public, and private oversight authorities, the legitimacy of health care systems has markedly declined in this country during the past half-century. This is represented not only in the overelaborated and complex administrative units at the organizational level required to respond to the multiple and conflicting demands, but also in the overgrown jungle of financial and regulatory units and infrastructural apparatus—lawyers, accountants, health economists, actuaries, and insurance brokers—that contribute so much to the costs and confusion marking the current state of this field.

*Similar Pressures—Divergent Responses*

Nicole Biggart and Mauro Guillén (1999) examined the response of auto industries of four countries—South Korea, Taiwan, Spain, and Argentina—to mounting competitive pressures from the global environment (see also Guillén 2001b). For many decades, manufacturing
fields serviced primarily domestic markets and did not have to take into account the productivity or performance of similar fields in other countries. However, in recent decades as a result of numerous political, technological, and economic developments, formerly “local” industries have been compelled to compete for survival with distant producers (Albrow 1997; Berger and Huntington 2002; Ó Riain 2000).

Biggart and Guillén (1999) employ an institutional approach to their study, emphasizing the following:

- the different kinds of actors available in each society (e.g., nature of the state, kinship structures, large firms, small firms, business networks)
- the “pattern of social organization that binds actors to one another” (e.g., the relation of states to industrial firms, of large to small firms, of firms to business networks) (p. 723)
- the organizing logics characteristic of the society: “organizing logics are not merely constraints on the unfolding of otherwise unimpeded social action, but rather are repositories of distinctive capabilities that allow firms and other economic actors to pursue some activities in the global economy more successfully than others” (p. 726)
- the industrial policies pursued by the state; nation-states vary in the development policies they adopt as well as in how actively they intervene in economic matters

Employing a distinction developed by Gereffi (2005), Biggart and Guillén note that societies characterized by more vertical linkages between strong states and firms or between large firms and subordinate units are more likely to excel at “producer-driven” activities linked to the global economy, whereas economies comprising small firms connected by horizontal linkages are more nimble and hence can be more responsive to “buyer-driven” global demands. Thus, for example, South Korea, with its vertically integrated chaebol (business units) and strong state has been relatively successful in auto assembly (producer-driven) operations but much less successful in creating a competitive system of components manufacturers. By contrast, Taiwan, with its highly developed small firms economy was unresponsive to state initiatives to promote auto assembly plants and instead has been able to compete globally in its manufacture of (buyer-driven) components. It is also possible for states to bypass their own business community and allow “foreign actors unrestricted access to the country”
by encouraging foreign firms to make investments and establish direct ownership ties (Guillén 2001b: 17). This was the policy pursued by Spain. Biggart and Guillén (1999: 743) do not conclude that all strategies pursued are equally successful, but rather that the more successful strategies are those that build on a society’s existing institutional logics. Such differences are not obstacles or constraints, but “the very engine of development. . . . Development is about finding a place in the global economy, not about convergence or the suppression of difference.”

In short, we have here a situation parallel to that described in Chapter 7, where we considered the reaction of organizations with differing characteristics to similar institutional forces. Like organizations, organization fields are likely to vary substantially in their history, structural features, and capacities so that, when confronted by similar challenges, they are likely to respond not in parallel but divergent ways. This institutionally informed perspective varies considerably from that of a number of global observers, who emphasize the “flattening” of societal differences (Freidman 2005) or the rapid convergence of economic institutions and firm structures (McKenzie and Lee 1991) as the hallmark of globalization. Gray (2005) points out that, in this respect, such neoliberal arguments bear a close relation to earlier Marxist arguments since they assume that “it is technological advances that fuels economic development, and economic forces that shape society. Politics and culture are secondary phenomena.” Institutionalists take strong exception to this view.

Identity-Based Fields

Two studies nicely illustrate the ways in which organization fields form around “identity logics.” Armstrong (2002) studied the processes leading to the creation of a field of gay/lesbian organizations in San Francisco during the period 1950 to 1994. Early groups attempting to advance gay/lesbian causes, such as the Mattachine Society, borrowed their organizing template from public nonprofit organizations and functioned as conventional interest groups. During the 1970s, organizing models shifted to “identity politics” as groups embraced explicit sexual identity terminology, affirming gay identity often combined with a specific function (e.g., Digital Queers, Gay Democratic Club, Lesbians in Law). “Affirming gay identity and celebrating diversity replaced social transformation as goals, marking the origins of a gay identity movement” (Armstrong 2002: 371). The organizing template that was adopted featured developing occasions for identity display and
self-expression; modes of organizing favored small, informal, and egalitarian units over more bureaucratic or professionalized forms. One of the more vivid images in the literature on organization fields is Armstrong’s description of the colorful spectacle presented by the members of this organization field “on parade” during the gay rights celebration in San Francisco.

Like Armstrong, Rao, Monin, and Durand (2003) creatively combine social movement and institutional theory arguments in a study of “revolutionary” changes occurring in the world of French haute cuisine. The study examines the introduction by a rebel breed of chefs of a new culinary rhetoric, replacing classic with nouvelle cuisine. The upstart chefs emerged during the period of general political turmoil associated with student protests against the Vietnam War during 1968, a cause that rapidly became connected to a range of other anti-establishment grievances. I like to think the organizing slogan for this revolution was “Chefs of the world unite. You have nothing to lose but your sauces!”

Rao and colleagues suggest that the two cuisines—classic and nouvelle—represent differing institutional logics (rules of cooking, types of ingredients, bases for naming dishes) as well as contrasting identities for chefs in relation to waiters. Their imaginative method of tracking the progress of the new logic was to examine changes over time in the menus of leading restaurants, coding a random sample of the signature dishes of chefs between the years 1970 and 1997.

Both Armstrong and Rao and colleagues draw on a distinction in social movement theory between “interest group” and “identity politics.” Most studies of social movements focus on interest groups pursuing some instrumental goal, for example, increased fairness or equality, whereas identity movements seek opportunities for “authentic” self-expression and opportunities to celebrate and display “who we are.” Identity movements seek autonomy, not social justice (Armstrong 2002; Taylor and Whittier 1992). Employing historical materials as well as in-depth interviews, Rao and colleagues examine biographies of selected chefs who personally challenged existing rules—in some cases, rules embraced by their fathers—in order to convert to the new cuisine. However, for such ideas to diffuse into a movement, they needed to be “theorized” (see Chapter 6). This process was greatly facilitated by the media and by the specialized culinary journalists, who developed the “10 commandments”—including “thou shall not overcook,” “thou shall use fresh quality products”—guiding the new cuisine and advancing rationales for its adoption. Systematic counts of the number of articles published between 1970 and 1997 extolling nouvelle cuisine in culinary magazines—cultural-cognitive
legitimation—were found to correlate with adoption by chefs listed in annual directories of *Guide Michelin*.

Evidence concerning the normative legitimation of the movement came from two sources: the number of highly coveted stars from the *Guide Michelin* received by chefs who added a minimum of one nouvelle cuisine dish as part of his or her signature trio of dishes and the number of nouvelle cuisine activists elected to the executive board of the professional society of French chefs. Both were positively associated with the abandonment of classical for nouvelle cuisine. In short, the new logic was eventually endorsed by the relevant governance systems.

A particularly valuable aspect of this study by Rao and associates is its recognition of the important role played by intermediary actors in field structuration. The contributions of journalists who helped focus and frame and diffuse the new logic as well as influential arbiters of consumer tastes—the editors of *Guide Michelin*—who gave their all-important stamp of approval to the insurgent band of chefs are systematically incorporated in the design of the study.

*The Structuring of Biotech Clusters*

Walter Powell and his many collaborators have examined the origins and early structuring processes of biotechnology clusters in the United States during the period 1988 to 2004 (Powell, Koput, and Smith-Doerr 1996; Powell and Owen-Smith 2012; Powell, Packalen, and Whittington 2012; Powell and Sandholtz 2012). Their study design is unusual in that their sample includes 661 biotech firms worldwide and their more than 3,000 partners. They focus on the origins—in their terms, the “emergence”—of successful biotech clusters in the United States, asking why three regional clusters have been so successful compared to firms in other areas. Their approach relies heavily on network approaches due to the fact that networks are an essential ingredient in this arena because all of the relevant capabilities required are rarely found within a single organization or type of organization.

Three clusters—localized organization fields—were most successful in forming during this period: the San Francisco Bay area took the lead in the 1970s and 1980s, the Boston area came later in the 1990s, and the San Diego area developed more slowly and somewhat later. The investigators argue that these more successful clusters emerged because of (1) a rich mixture of diverse organizations, including universities, nonprofit research centers, research hospitals, start-up companies, and venture capitalists; (2) the presence of an “anchor tenant,”
an organization possessing “the legitimacy to engage with and catalyze others in ways that facilitate the extension of collective resources”; and (3) some form of cross-network mechanism to enable “ideas and models to be transmitted from one domain to another” (Powell, Packalen, and Whittington 2012: 439).

No single model of successful field creation was revealed by the three cases; multiple recipes were employed. Thus, the identity of the anchor tenant varied from case to case: In San Francisco, cluster formation was heavily influenced by the matchmaking efforts of venture capitalists; in Boston, public research organizations, including universities and research institutions, provided significant leadership; and in San Diego, biotech firms, both small start-ups and mature firms, were the most instrumental. In San Diego, a failed acquisition effort between an established firm and a new firm fueled job mobility and information sharing in the area. In all cases, the anchor tenants were able to generate the new types of organizations—hybrid forms—that permitted “boundary crossing”: the mixing of institutional logics and practices that allowed the translation of ideas from one realm, basic science, to another, the creation of commercial products. Science and commerce were lashed together in diverse ways as career flows triggered disruption: “Moving energy from one realm into another, or converting reputations and resources in one domain into motivating energy in a new arena, unlocked existing social bonds and expectations, creating space for a new form” (Powell and Sandholtz 2012: 407).

Regional agglomeration occurred in the three successful clusters because of successful collaborations that developed across a diverse array of organization forms. By contrast, in the eight less successful regions examined, single organization forms dominated, resulting in a mixture less capable of spawning successful collaborations among organizations, let alone new organizational forms.

The research by Powell and colleagues differs from previous field studies in part because of the changing nature of organizations and industries. Throughout the 19th and 20th centuries, fields were structured around some focal organizational populations (e.g., healthcare organizations) or an occupation (e.g., gourmet chefs). Students of new industries emerging during the late 20th and early 21st centuries, by contrast, have been compelled to focus on a diverse field of interdependent organizations; no one organization contains the requisite know-how and skills to determine the trajectory of field structure and development. Rather, the focus has been on industrial regions (e.g., Saxenian 1994) and related types of networked systems (Smith-Doerr and Powell 2005). Moreover, in a time of global competition and
rapidly changing demand structures, even more conventional industries, long dominated by Fordist-style, vertically integrated organizations, are being decomposed in favor of a variety of networked forms and flexible commodity- and value-chain production systems (Gereffi 2005; Harrison 1994).

Thinking Across Fields

A common theme in research on organization fields is the movement of ideas and modes of organizing from one field to another. Fields are never self-contained; they are always subfields of larger societal systems and, particularly in contemporary societies, are obliged to a varying extent to take into account the ideas and actions taking place in neighboring fields. This is hardly a new idea. As Marens (2009) emphasizes, some of Karl Marx’s foundational ideas about the engines of change in any political economy deal with the role played by contradictory logics lodged in institutions (ideologies; see Chapter 1). Clemens and Cook (1999) invoke Marx to motivate their argument that many change processes in organization fields have their origins in “internal contradictions”—instabilities inherent in coexisting systems of belief and practice. Seo and Creed (2002: 223) elaborate this argument with a series of hypotheses regarding the ways in which “institutional arrangements create various inconsistencies and tensions within and between social systems” that transform actors into change agents.

The Diffusion of Market Logics

While it is not overly apparent in the studies of field structuration processes just reviewed, many field studies over the past three decades reveal a common theme. They chronicle the incursion of economic (specifically, market) logics into organization fields previously organized around other logics. In particular, fields once dominated by professional (including nonprofit), public (state), or craft logics have been colonized by neoliberal views emphasizing competition, privatization, cost-benefit analysis, and outcome measures stressing financial indicators. As a consequence, institutional models for organizing have been altered: Collegial structures have given way to hierarchical arrangements, and discretion and power have shifted from professional and craft workers to managers and financial analysts. Such is the power of ideas!

Originating in Austria, a group of economists surrounding Frederick Hayek, during the late 1930s became concerned with state expansion,
especially in socialist and fascist regimes, and argued for the value of a more competitive, less regulated economy. These ideas were advanced by Milton Friedman and other economists at the University of Chicago, giving rise of the Chicago school of neoliberalism embraced by many conservative think tanks and politicians (see Harvey 2005; Prasad 2006). They were also fueled by the rapid expansion of global competition among societies, encouraging governments to reduce regulations and taxes on firms and to cut spending on programs these taxes supported, especially welfare spending (Campbell 2004: Ch. 5). Moreover, they became the basis for policy and funding guidelines adopted by a variety of powerful international multilateral financial institutions, such as the World Bank and the International Monetary Fund (IMF), who made the acceptance of these assumptions a criteria for receipt of loans and grants by participating nation-states (Peet 2009).

Among the field studies that I just summarized, the invasion of neoliberal ideas is most apparent in the healthcare study conducted by my colleagues and me, but is also evident in Fligstein’s study of the rise of financial criteria to displace manufacturing values in multidivisional corporations and in the study of biotech firms by Powell and colleagues, who describe the rise of commercial logics to supplement and fuse with academic logics. The wider literature provides many additional examples, among them:

- In professional and craft realms, work by Thornton (2004) and Thornton and Ocasio (1999) examines a shift in the higher education publishing industry from an editorial logic to a market logic. These shifts were reflected in a decline in the number of personal imprints (an indicator of editorial control), greater likelihood of becoming a division within a multidivisional firm, and a change in the criteria of executive succession within these firms.

- Related work by Greenwood and Suddaby (2006) describes changes in recent decades in corporate accounting firms, as many of them have shifted from operating as single professional organization employing a professional partnership model to multiservice firms structured as a managed professional business form. As a consequence, accountants are subject to more centralized, managerial controls. (For related studies of changes in law, accounting, and healthcare, see Brock, Powell, and Hinings, 1999.)

- Work by a variety of scholars chronicles the incursion of market logics into the public sector. Arguments began in earnest during the
1970s that governments needed to be “run more like a business.” Among the reforms introduced are contracting out services or functions to the private sector, the use of “public enterprises” (publically owned organizations that are dependent on nontax revenues), and public-private partnerships (see Brooks, Liebman, and Schelling 1984; Osborne and Gaebler 1992; Smith 1975). Similar attempts to restructure government—to increase accountability, emphasize output controls, employ private sector styles of management, and concentrate power in professional managers rather than civil service officials—have been carried out under the banner of “new public management” in the United Kingdom and its former colonies and in Scandinavia (see Greenwood and Hinings’ 1993, study of municipal governments described above; see also Christensen and Laegreid 2001).

Research by Zelner, Henisz, and Holburn (2009) examines the decision by more than 80 countries to privatize electric power utilities involving more than 970 projects during the period 1989 to 2001. The countries experienced strong ideological pressures associated with a growing consensus among economic and political decision makers as well as the lending policies of multilateral agencies such as the World Bank and the IMF to sell off state-owned facilities and encourage private power development. Although large numbers succumbed to these pressures, analysis revealed that during the period of observation, about 20% of the projects involving 37% of the countries experienced retrenchment, restoring the political objectives of the state-centered model without formal repeal of the neoliberal measures adopted. Responding to domestic sociopolitical normative and cognitive forces, a number of states were able to push back on neoliberal “reforms.”

- Not only the public sector but the nonprofit and voluntary sector has also been besieged by reformers attempting to restructure them around more “businesslike” models (Powell and Steinberg 2006; Salamon 2002). Hwang and Powell (2009) provide a nuanced study of these rationalization processes occurring in recent decades in a sample of nonprofit organizations in the San Franciscan metropolitan area driven largely by pressures from public agencies and foundations to bring in professional managers. Volunteers have been replaced by paid staff, and managers have introduced systems to improve accountability and “benchmarking” to induce competitive processes and increase efficiency. The discretion once enjoyed by “substantive professionals” (e.g., social workers, mental health personnel) has been curbed in favor of more centralized “strategic” goal setting and managerial controls.
Another example of related processes is provided by the study by Lounsbury and colleagues (2003) described earlier of recycling systems shifting from volunteer to for-profit forms. Also, many studies have been conducted of the conflicts between business and artistic values in cultural industries such as architecture, the performing arts, and film and TV production (e.g., Jones and Thornton 2005; Lampel, Shamsie, and Lant 2006). A different mode of entry by the private sector into fields traditionally associated with nonprofit enterprise is represented by the *social enterprise*—a hybrid form that employs conventional commercial strategies to achieve social ends, such as improving living conditions and protecting the environment (Billis 2010).

- Another field recently impacted by economic logics is that of higher education. There are examples on many fronts, but I focus on three field studies that probe these changes. I already discussed in Chapter 6 Kraatz, Ventresca, and Deng’s (2010) study of changes in the organization structure of a number of liberal arts colleges as they introduced “enrollment” management as a way to increase the salience for admissions officers of taking into account a student’s ability to pay. But student choices are also reshaping liberal arts programs. Research by Brint and colleagues (Brint 2002; Brint, Proctor, Murphy, and Hanneman 2012) reports that these colleges are increasingly responding to a “market model” in which students are viewed as consumers whose choices should drive the structure of the curriculum. As a consequence, during the period 1980 to 2000, growth in the more institutionalized and “basic” fields of knowledge such as English and mathematics were rapidly outpaced by that in more professionally oriented and “practical” fields of study (e.g., business, engineering, health sciences). These changes were also found to be associated with changes in donor priorities.

The third study marks changes on the research side of universities as technology-transfer offices have grown rapidly to allow universities and their faculties to reap the financial fruits of knowledge creation (Colyvas and Powell 2007). The kinds of activities that once were a cause for expulsion—financially profiting from the knowledge one had created by making it proprietary—were relatively quickly accepted by major universities and led to a redrawing of the boundaries around what kinds of actions and interactions with firms were considered to be legitimate.

Are such changes inevitable? Taking a longer-term historical view, Schneiberg and a variety of collaborators argue they need not be. They point out that in any robust economy, a variety of models for organizing economic activity coexist and compete at any given time. Even
during the period of most active industrial development at the turn of the 20th century, which witnessed the dominance of mass production and corporate forms, many associational models, including cooperatives, mutual associations, and municipal utilities, continued to flourish in many sectors of the economy (Berk and Schneiberg 2005; Schneiberg 2007). These alternative organizational templates are available and remain viable in selected contexts. For example, even in the current neoliberal era, a significant number of mutual savings and loan associations well embedded in their communities have successfully resisted conversion to stock company form (Schneiberg, Goldstein, Kraatz, and Moore 2007).

The Diffusion of Religious Logics

Although there have been relatively few studies by institutional scholars dealing with the diffusion of religious logics from their home domain, this clearly represents one of the major arenas of social change in our time. In more traditional societies, we observe that religious beliefs and practices often penetrate and strongly shape others societal sectors, such as politics and education. Thus, in many contemporary Muslim-dominated societies, we observe the playing out of religious doctrines in many non-church contexts. Such trespassing has been largely curtailed in most contemporary secular societies until recent decades.

Much to the surprise of many sociologists who had grown accustomed to the steady march of secularism (e.g., Habermas and colleagues [2010] view with alarm the derailing of the Enlightenment project of modernism), three mainstream religious faiths—Christianity, Islam, and Judaism—have all experienced a major surge of fundamentalism within their ranks. Fundamentalism may be viewed as a religiously based cognitive and affective orientation to the world that entails resistance to change and the ideological orientation of modernization (Antoun 2001; Emerson and Hartman 2006). And, as a consequence, numerous fundamentalist religious leaders and lay believers have become increasingly active in introducing their beliefs into kinship systems, defending traditional gender roles; political contexts, as the basis for supporting particular issues or candidates; and educational systems, as guidelines for revising curricula or selecting teaching personnel.

A useful examination of attempts by religious activists to influence school curricula was conducted by Binder (2002), who studied the efforts of evangelical Christian groups to introduce “creationist” arguments into the science curricula in four public school systems during
the period 1981 to 2000. Efforts occurring in three states (Louisiana, California, and Kansas) were chronicled at multiple levels (local, state, national) and across multiple types of actors and forums (activists and school-level professionals, state and federal courts, school boards, and state legislatures). Her research suggests that the efforts of religious groups (challengers) were more successful in cases where the changes advocated were framed not as melding science and religious beliefs but as allowing “all children to feel welcome in publicly paid-for schools and to offer ‘balanced’ scientific instruction in science classrooms for the good of science” (p. 220). Even so, these efforts were observed to be more effective in changing political policies than in changing within-school institutional practice. We need more studies of this important source of institutional change.

❖ A REVISED AGENDA AND FRAMEWORK

Davis and Marquis (2005) have suggested that the time has come to seriously consider whether the organization is the appropriate level of analysis for most of the questions we social scientists want to address and the processes we seek to understand. The view of “an organization” as a relatively independent and self-contained actor engaged in mobilizing resources to accomplish specific goals has always been more applicable to the Anglo-American scene than that of Europe or Asia, where organizations are heavily embedded in state-level or broader collective systems. And even in the United States, as global interdependence increases and new industries emerge, the notion of a stable firm conducting business in regularized ways over time seems less applicable to a wide range of economic activity. As far back as 1937, Coase noted that in a market economy we find “islands of conscious power in this ocean of unconscious cooperation like lumps of butter coagulating in a pail of buttermilk” (p. 388). And the lumps seem to be melting ever more quickly!

In a related vein, a number of social scientists are urging that we turn our attention to the study of processes rather than the study of structure—to organizing rather than organizations (Scott and Davis 2007: Ch. 14). In preceding chapters, I noted a new emphasis on structuration processes, on institutional “work” rather than institutions, and on social mechanisms. Davis and Marquis (2005) argue that attention to field-level processes may be the salvation of organization studies, suggesting that “an appropriate aspiration for organization theory in the
early 21st century is providing a natural history of the changing institutions of contemporary capitalism.” While I tend to concur, I would add that others, such as social psychologists, can also usually participate in this project by examining the role of individual actors as they respond to and shape these processes. So, more broadly, this may be an appropriate agenda for all of social science.

A number of these themes are summarized and captured by a discussion of field studies and the natural environment by Hoffman and Ventresca (2002). Their detailed comments will not be reviewed here, but I think it instructive to reproduce their table “expanding” the elements of field-level analysis (see Table 8.1). They celebrate the advantages of adopting this higher, more encompassing level of analysis, emphasize the shift from structure to process, insist on attention to the empowering as well as the constraining effects of institutions, attend to both structural and cultural elements, and recognize a larger role for power processes and strategic action.

Table 8.1 Expanding the Elements of Environmental and Field-Level Analysis

<table>
<thead>
<tr>
<th>Element</th>
<th>Current View</th>
<th>Expanded View</th>
</tr>
</thead>
<tbody>
<tr>
<td>Level of analysis</td>
<td>Organisation-level activity</td>
<td>Field-level activity</td>
</tr>
<tr>
<td>Market activity</td>
<td>Rationally directed</td>
<td>Politically inflected</td>
</tr>
<tr>
<td>Fields</td>
<td>Centered on common technology and markets</td>
<td>Centered around issues of debate</td>
</tr>
<tr>
<td></td>
<td>Domains of stability</td>
<td>Domains of contest, conflict, and change</td>
</tr>
<tr>
<td>Institutions</td>
<td>Things</td>
<td>Process and Mechanisms</td>
</tr>
<tr>
<td></td>
<td>Constraints</td>
<td>Opportunities and Constraints</td>
</tr>
<tr>
<td></td>
<td>Cognitive</td>
<td>Cognitive and political</td>
</tr>
<tr>
<td>Central organizing concept</td>
<td>Isomorphism</td>
<td>Collective rationalality</td>
</tr>
<tr>
<td>Institutions and organizations</td>
<td>Separate levels of analysis</td>
<td>Linked levels of analysis</td>
</tr>
<tr>
<td>Field/organization interface</td>
<td>Unidirectional from field to organization</td>
<td>Dual-directional between field and organization</td>
</tr>
</tbody>
</table>

(Continued)
Table 8.1 (Continued)

<table>
<thead>
<tr>
<th>Element</th>
<th>Current View</th>
<th>Expanded View</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Uniform across organizational contexts</td>
<td>Affected by organizational filtering and enactment processes</td>
</tr>
<tr>
<td>Organizational activity</td>
<td>Defined by field-level activity</td>
<td>Negotiated with field-level constituents</td>
</tr>
<tr>
<td></td>
<td>Strategically inert</td>
<td>Strategically active</td>
</tr>
<tr>
<td></td>
<td>Scripted</td>
<td>Entrepreneurial</td>
</tr>
<tr>
<td></td>
<td>Homogeneous</td>
<td>Heterogeneous</td>
</tr>
<tr>
<td>Institutional change</td>
<td>Undeveloped</td>
<td>Open to entrepreneurial influence</td>
</tr>
</tbody>
</table>

SOURCE: From Organization, Policy, and the Natural Environment: Institutional and Strategic Perspectives by Hoffman, Andrew J., and Marc J. Ventresca, editors. Copyright © 2002 by the Board of Trustees of the Leland Stanford University. All rights reserved. Used with the permission of Stanford University Press, www.sup.org.

#### CONCLUDING COMMENT

The concept of organization field expands the framework of analytic attention to encompass relevant actors, institutional logics, and governance structures that empower and constrain the actions of participants—both individuals and organizations—in a delimited social sphere. It includes within its purview all of these parties that are meaningfully involved in some collective enterprise—whether producing a product or service, carrying out some specific policy, or attempting to resolve a common issue. The concept has not only encouraged attention to a “higher” (more encompassing) level of analysis; it has stimulated interest in organizational processes that take place over longer periods of time. To adequately comprehend the determinants, mechanisms, and effects of significant institutional change—or stability for that matter—demands attention to longer time periods.

Organization fields vary considerably among themselves and over time. The concept of field structuration provides a useful analytic framework, allowing investigators to assess differences among fields and to track changes over time in the extent of the field’s cultural coherence and nature of its structural features.

While it would appear that a field-level focus would detract attention from our attempt to understand the behavior of individual organizations and their participants, I believe that this is far from being true.
Just as the attributes and actions of a character in a play are not fully comprehensible apart from knowledge of the wider drama being enacted—including the nature and interest of the other players, their relationships, and the logics that guide their actions—so we can better fathom an individual and organization’s behavior by seeing it in the context of the larger action, relational, and meaning system in which it participates.

**NOTES**

1. For a review of these efforts, see Scott and Davis (2007: 8–10).
2. We consider in a later section processes leading to the replacement of one archetype with another.
3. Financing issues are never just about material resources. In this case, Congress decided that the nation-state, rather than the individual, was responsible for financing medical care for the elderly and the indigent.