DIALOGUE PAPER

COUPLING, NOT DECOUPLING, SHOULD BE INSTITUTIONAL THEORY'S MANTRA: A REJOINDER TO HAACK AND SCHOENEBORN[1]

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Ambiguity and uncertainty inhere in theorizing around the knowledge frontier. Debating the robustness of novel ideas can, therefore, be instrumental in bolstering theory development. As such, I welcome that Haack and Schoeneborn (forthcoming) challenge certain aspects of my recent AMR article (Wijen, 2014). Their critique is two-pronged. First, they argue that my ideas are functionalist and thus incompatible with the social constructionist nature of institutional theory. Second, they contend that I interpret decoupling in a static way, thereby ignoring important dynamics. My response follows the order of these issues.

DECOUPLING DECOUPLING?

The gist of my argumentation, which is not contested by Haack and Schoeneborn, is that field opacity acts as a double-edged sword. On the one hand, it creates the need for institutional entrepreneurs to devise and implement arrangements with clear and universal rules, strong incentives, and "best practice" transfers to ensure that adopters will substantively comply with their requirements. On the other hand, such compliance-oriented institutional arrangements lead to a rigidity that undermines the achievement of the envisaged goals. They constrain adopter agency and the flexibility to effectively respond to the demands of complex and context-contingent opaque fields. Sustainability standards are a case in point, and I illustrate how standard creators who seek to address socioenvironmental challenges need to straddle between substantive compliance and goal achievement. However, the central idea can be applied to a variety of other opaque fields, including academic research and teaching, public service, traffic security, financial stability, and global geopolitics. Societal demands for greater transparency and accountability have driven many organizations in these fields to focus on regulatory compliance but lose sight of the envisaged goals of relevant rules

(Bromley & Powell, 2012). Actors who devise and maintain institutions face inherent trade-offs with important "real-life" consequences. If my article manages to get this message across, I must confess not to be particularly bothered by committing the sin of being "functional" or "impure."

I reject the assertion, though, that my argumentation is incompatible with the ontological and epistemological underpinnings of social construction. My article's central claim is, admittedly, not that institutions in opaque fields are socially construed, although the drivers and social interactions leading to the development of sustainability standards are outlined (p. 305-306). Haack and Schoeneborn cite Meyer and Rowan's (1977) seminal article as an exemplar of social constructionism and interpretivism. This is curious. While their article mentions social constructionism in passing (p. 346), it is arguably *not* an explicit account of jointly construed rules or mismatches. Instead, Meyer and Rowan focus on why and how organizations decouple their practices from institutionalized external rules. In a similar vein, I explain why and how substantive compliance and goal achievement can be inversely related. Institutions are, indeed, often developed and adapted through a process of social construction. The problem is, though, that institutional entrepreneurs and adopters in opaque fields tend to interpret the same arrangement in divergent ways, as a result of which an institution's envisaged objectives are not obtained. Strikingly, Meyer and Rowan also point to this decoupling of means and ends: "modern societies are filled with institutional rules which function as myths depicting various formal structures as rational means to the attainment of desirable ends" (p. 345). Their article is thus supportive of, not opposed to, my argumentation.

Haack and Schoeneborn "caution against the functionalist intrusion [of institutional theory]" (p. X). This stance is highly problematic. Since a theoretical perspective only partially envisions a complex (social) reality, the infusion of relevant insights from another

perspective typically strengthens a perspective—provided sufficient focus is retained and both perspectives are not incompatible. Combining theoretical lenses can also "help bridge silos [of knowledge] within and across disciplines" (Okhuysen & Bonardi, 2011: 6). Haack and Schoeneborn contend that the term "decoupling" should be confined to situations in which policies and practices are not aligned. However, this type of decoupling can also be viewed as functionalist, in the sense that adopters may not follow the rules that those who conceive them consider instrumental or effective. Furthermore, Haack and Schoeneborn do not convincingly demonstrate that both types of decoupling have incongruent ontological and epistemological bases. In the absence of incompatibility, we should, therefore, aim at theoretical rapprochement and integration, rather than retrenchment and differentiation, and bear in mind that "paradigm wars are a blood sport draining resources and energy" (Suddaby, 2014: 409). Integrative studies adopting a problem-oriented, rather than paradigmatic, approach are valuable in this respect (Davis & Marquis, 2005). Institutional theory can pride itself with numerous instances of insightful integrative work, such as Oliver's (1991) combination of institutional and resource dependence theories. Such work need not be confined to paradigmatic combinations within one discipline, such as sociology. Crossing disciplinary boundaries can greatly advance our understanding of focal phenomena. For example, the cross-fertilization of sociology and economics can be highly conducive to advancing our understanding of institutional phenomena (Zajac & Westphal, 2004). Integrative work of this kind offers a more complete picture of a phenomenon and wards off the danger of providing either an "oversocialized" (i.e., purely sociological) or "undersocialized" (i.e., purely economic) account of actor behavior (Granovetter, 1985).

Haack and Schoeneborn's dismissal of means-ends decoupling with its focus on "technical issues, such as cost-benefit calculations, performance, organizational effectiveness, and organizational design" (p. X) reads like an invitation to keep clear from offering insights

that contribute to real-life effectiveness and performance—however these constructs may be defined and measured. The suggestion that institutional scholars should confine their efforts to studying the dysfunctional outcomes of symbolic adoption, rather than think hard over fruitful solutions to wicked problems, appears to me as no less than outrageous. As institutional scholars, we have been more prolific in talking to our peers than in practicing 'engaged scholarship' (Van de Ven, 2007). In contrast to natural scientists, who have abundantly generated practically relevant insights, we can and should more generously offer concrete guidance to practitioners who wrestle with unresolved complex governance questions around important societal problems (Corley & Gioia, 2011). As such, institutional theory should be more, not less, concerned with advancing insights that have practical relevance, including the development of more effective, performance-enhancing governance options.

DECOUPLING DYNAMICS

Haack and Schoeneborn correctly observe that institutional arrangements and objectives may evolve. Surprisingly, though, they suggest that I fail to acknowledge this dynamic nature. While the evolution of institutional arrangements is not the focus of my article, I acknowledge that the dynamics of biophysical and social systems call for adaptive capacity (p. 311), which materializes in niche institutions that may emerge through participatory approaches (p. 314-315).

Interestingly, Haack and Schoeneborn argue that policy-practice decoupling is only a transitory phenomenon. I concur that initially symbolic adoption may eventually lead to more substantive implementation (p. 314) and that interpretations of means and ends by creators and adopters of institutional arrangements may partially converge through recurrent interactions. However, Haack and Schoeneborn's argument is overstretched, because the causal complexity and practice multiplicity that reign in opaque fields lead to so many

possible interpretations of institutional arrangements that different actors will most likely attribute dissimilar meanings to means and ends—as richly illustrated by Dobbin's (2009) longitudinal analysis of equal opportunity employment in the US. Therefore, full interpretive convergence is unlikely to ever emerge. Next to interpretive ambiguity, institutional entrepreneurs and adopters may have structurally dissimilar interests, leading to an agency problem that precludes the accomplishment of behavioral alignment. For instance, sustainability standard creators may mandate relatively costly pollution prevention measures, which easily leads to defection by adopters who have different goals than environmental protection (such as profit enhancement or market access)—also in the presence of intensive, recurrent interactions. While institutional entrepreneurs may duly consider certain adopter interests, it is an illusion to think that institutional means and ends are always established through negotiations and that all agency problems will ultimately be overcome in opaque fields.

CONCLUSION

The institutional literature has greatly expanded over the past few decades, and one may wonder whether *any* phenomenon of scholarly interest warrants labelling as institutional work, logic, complexity, etc. As such, I concur with Haack and Schoeneborn that not "anything goes" and that we need to ensure that the use of an institutional lens is appropriate. However, I strongly disagree that this perspective should be narrowed down to studying social construction "at work." Institutional theory has a long history, with rich contributions from multiple disciplines (Greenwood et al., 2008; Hodgson, 2004). It would be a missed opportunity to forego the benefits of combining multiple perspectives, provided compatibility and focus can be ensured. It would also be regrettable and mistaken to consider institutional theory incompatible with notions of effectiveness and performance, thereby precluding dialogue with other disciplines and guidance of practitioners who face complex governance

challenges. Therefore, instead of decoupling institutional theory from engagement with complementary perspectives and real-life problems, institutional scholars should be more concerned with coupling different disciplines as well as coupling theory and practice.

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