

Entry “**The New Institutionalism in Higher Education**”
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Institutionalist and neo-institutionalist theory and research is an established and growing approach to inquiry in the field of higher education research which aims at shedding light on how universities and other higher education organizations interact with economic, political, cultural and other social subsystems; how they change as a result of global trends and policies; and how and why they differ across and within countries. It views educational institutions as a key producer of social cohesion by supplying the shared beliefs that generate shared cultural meanings. To most institutionalists, education (schools, colleges, universities, but also home schooling, religious, and informal education) stands out as one of only a handful of *key social institutions* next to the family, the economy, religion, government, and science. Higher education takes its place in this nexus of institutions, as it globally expands in size and grows in strategic importance everywhere, thus offering a crucial case of institutional diffusion, a focus of new institutionalism. While for most of its history universities produced leading elites for the institutions of religion, government, and education, today it increasingly serves to prepare a growing student population for careers in industry and the professions, as well as for advanced research and teaching. Higher education and the ensuing scientization has also transformed many occupations, as entire labor markets upgrade their skill requirements. As higher education across the globe exhibits considerable isomorphism, the organizational forms in which it unfolds, and their general effect, can also differ greatly between and even within countries and cultures.

An interdisciplinary field with roots in classical social theories and modern social and organizational theories, contemporary institutional theory complements macro-theories like modernization, systems, or rational choice. Many of its contributors aim to produce work that is both explanatory and relevant for policy and practice. An example is the case of the “technology transfer” offices that sprang up at universities around the world after the Bayh-Doyle Act (1980) allowed universities to commercially exploit patents. Universities quickly began imitating first-movers by adopting such offices, although the costs of maintaining them are not reliably recovered by the gains from technology transfer. Institutional studies

thus seek to uncover the intended and often unintended consequences brought about by the complexity of social structures and change processes.

As it is theoretically ecumenical, neo-institutionalism also enjoys great and growing methodological diversity and sophistication. Indeed, case studies, ethnographic studies, cross-cultural and historical-comparative studies, as well as sophisticated use of large-scale quantitative data, for example, in network analyses, have all been profitably employed in institutional research. In this entry, we review the intellectual roots of the institutional approach (part I), before considering selected contemporary applications of institutionalist approaches in research on higher education (part II) and commenting on current frontiers of the theory (part III).

I. Origins and Evolution

Classical Roots. Most pioneering contributions to social science and social thought have also contributed key ideas to our thinking about institutions. In *The Republic*, Plato discusses the merits of different institutional regimes (aristocracy, democracy, oligarchy) and the demands they make on education. The European Enlightenment pioneered by writers like Montesquieu, Rousseau, Condorcet, Tocqueville, Smith and Hume focused on how institutional configurations might affect human liberty and equality and frequently drew out implications for education.

Likewise, the founders of sociology have provided crucial insights for the analysis of institutions. Karl Marx' studies of the "political economy" revolved around the relationship between a profit-driven economy and political and social institutions, especially the state. He observed a clash between endogenous growth of the productive forces spurred by capitalism on the one hand and inertial institutional structures (especially the institutions of private property) on the other. Emile Durkheim, who focused much of his work on understanding the changing forms of social community and cohesion ('solidarity') as well as education, saw sociology as first and foremost a science of institutions. The social scientist with the most explicit and ambitious institutionalist agenda may well have been Max Weber. His seminal work on the new phenomenon of modern bureaucracy, his emphasis on legitimate authority, and the impact of religious ideas on institution-building (i.e. institutionalization of capitalism) remains a starting point for contemporary institutionalists interested in understanding the relation between ideas, interests, and historical changes.

The New Institutionalism. Scholars in the 1960s and 1970s found that classical institutionalism often did not articulate sufficiently with the realities of a society dominated

by large-scale formal-rational organizations in both economy and society. What was the place of institutions and institutional forces in that society? By what mechanisms have they been shaped? How were they structured and governed? These questions were addressed in several seminal papers published in the 1970s that reshaped and rejuvenated institutional research and forged a new synthesis between institutional and organizational theory. The first of these papers, published by John W. Meyer and Brian Rowan in 1977, asked how organizations become institutionalized and how institutional forces shape and often overwhelm the technical-rational logic espoused by organizations. The second paper, published by Paul DiMaggio and Walter Powell, asked by what mechanisms institutionalized organizations managed to develop their often strikingly similar formal structures and processes. In addressing these questions, these papers articulated and elaborated the concepts of rational myth, legitimacy, isomorphism, and loose coupling. A key insight was that in contrast to economic theories of organizations that saw them as utility-maximizing entities, organizations survived and thrived if they achieved legitimacy, by invoking and enacting rational myths (e.g. about the superiority of certain technologies or organizational practices), by buffering the organization's technical core, and by making themselves isomorphic with established organizations or institutions that had already achieved such legitimacy.

These insights were further developed in pioneering work by organization theorists James March and Karl Weick who tackled the problem of formal organizational structure and rational decision making. Using schools and universities for empirical illustration and elaboration, they suggested that contrary to assumptions of classical organization theory the relaxation of tight coupling of roles and positions in favor of "loose coupling" had the potential to make organizations more stable under conditions of uncertainty or ambiguity. Likewise, leadership in organizations was often improved if it adapted to "anarchic" kinds of decision making that proceeded as much by coincidental opportunity as by rational, goal-directed behavior.

2nd Generation Work. Building on these seminal contributions, a second wave of institutional research developed in the late 1980s and 1990s as a response to new social phenomena and to newly emerging conceptual or analytical tools. One shift that can be observed globally has been *from states to markets* as educational institutions lost their traditional place as part of a government-protected polity organized by or in public

bureaucracies. Instead, they were found to be increasingly lodged in and subject to markets and the voluntary sector of the civil society. This shift is reflected in a worldwide adoption of new policy instruments and policy themes like choice, participation, privatization, new public management, and the harnessing of education as supplier of human capital. Broad curricular shifts reflect the rising importance of the social sciences vis-à-vis the natural sciences and humanities.

Another new phenomenon to which institutional theory had to respond is the *emergence of a system of global governance*, spurred by global rankings and loosely organized around a set of global actors like UNESCO, OECD, or the World Bank, which raises new questions about the nation state's ability to act as a sovereign authority over (higher) education in a globalizing world in which higher education and science rise in significance.

This second generation work has also seen the adoption of new (or heretofore unused) conceptual tools like privatization (emphasizing the shift in the provision of educational goods from public to private actors and the considerable investments by individuals in education as arbiter of life chances); path dependence (emphasizing the inertial pull that a certain initial institutional configuration, once established, exerts over subsequent institutional foundings, and the increasing returns to standards that make full-scale transformation costly and unlikely); voluntarization and the civil society (which also provides guarantees of support independent of policymakers' decision-making).

Together, these changes have prompted greater interest in understanding the global flow of institutional models both in top-down (following, e.g., perceived prestige hierarchies or the changing ideas of key members of global epistemic communities) as well as bottom-up directions (following, e.g., the spontaneous flow of students to changing global centers of higher education or the spread of new ideas or practices facilitated by the Internet-based communication).

II. Contemporary Research

Contemporary neo-institutional research spans several conceptual streams across the social sciences, reflecting the evolving complexity of higher education institutions as it attends to persistence and change at a variety of *levels, topoi, and policy challenges*.

Levels of analysis. Taken as a whole, the neo-institutional literature largely attends to mechanisms and processes on mainly three levels of analysis: worldwide diffusion of institutional models; national and local persistence; and institutional reproduction through such mechanisms as learning, borrowing, or institutional work.

The *world polity approach*—in studies conducted mainly by sociologists—helps to explain the global diffusion of formal structures, norms, and standards as well as persistent decoupling between policies and practices. This perspective has emphasized the tremendous expansion of higher education and science in all parts of the world; organizational, disciplinary, and curricular shifts over the twentieth century; and unexpected exponential growth in the production of scientific knowledge. Policy diffusion processes depend on a range of mechanisms, from the social construction of education as a human right, to learning, competition and coercive governance.

A second group of studies charts the evolution of higher education in *national contexts*, power relations within them, and unique and sometimes polymorphic organizational configurations that persist (like the binary divide between research universities and polytechnics or universities of applied sciences in many countries) in a specific national niche-context without spreading or declining. Historical institutionalists, mainly in political science, focus on unique historical events and power-seeking actors applying concepts such as critical junctures and path dependence, illuminate how and why ideas emerge, attract attention, and become (or fail to become) institutionalized. They examine how politics shape higher education and often focus on funding and state support upon which higher education organizations (continue to) heavily rely. Most recently, debates have focused on conflictual issues of financing, marketization, and privatization as well as the role of party politics as higher education becomes an increasingly important policy field.

A third group of studies considers *inter-institutional learning* processes using concepts like ‘borrowing and lending’ as well as translation and transfer of institutional models and ideas (like the migration of Humboldt’s university ideals to other countries) and applying methods like discourse analysis to help clarify multi-level processes of diffusion. Organizational actors

do ‘institutional work’ to gain legitimacy for their organization and to maintain its position within stratified worlds.

Topoi. Reflecting newly emerging institutional realities of higher education are research streams that cluster around three topoi.

Global Governance. An important new area of research attends to the new forms of governance that are filling the gap left by the waning role of nation states. This includes both new forms of supra-national governance, such as the standards-oriented Bologna process or EU-facilitated cooperation, as well as new forms of soft governance driven by members of “epistemic communities” organized in global NGOs and relying more on mimetic isomorphism. Institutional practices diffuse in new ways as (inter)national organizations and policymakers produce and utilize knowledge of other countries to frame problems, guide learning, and organize competition.

Actors and Agency. As globalization challenges national conceptions and control of higher education and financial crises and rising costs affect higher education governance, agency is often seen to be moving from government and ministerial levels to universities. Thus dis-embedded from state control, universities increasingly operate as independent actors placing new expectations on executive leadership in higher education. Institutional researchers have responded with studies focused on organizational agency and actorhood, using concepts like institutional logics, institutional work, and organizational entrepreneurship, and charting isomorphism as well as differentiation.

Expansion and Growth. The increasingly central role of higher education is the subject of a growing body of longitudinal and cross-national comparisons focusing on patterns of expansion and growth. On the input-side, issues of diverse funding sources and rising tuition fees reflecting privatization have become central in many countries. Less well understood, but beginning to be analyzed in-depth, are the outputs, like learning outcomes of post-secondary graduates as well as the extraordinary rise of scientific productivity with the research university, science’s key organizational form.

Policy Challenges. An important part of the institutional research on higher education is prompted by new policy challenges.

Quality Monitoring and Accountability. The monitoring of dynamics of academic and epistemic drift within diverse and differentiated higher education systems will remain crucial to understand the extent of change not only rhetorically in policy positions and statements of agenda-setting, but in the complex reality of higher education institutions and organizations

that have become ever more central in society. Research output is growing in importance in evaluation systems that hold universities and other research organizations accountable for public and private investments and attempt to infer outcome-relevant causal factors like forms of governance and policy and regulatory regimes. Issues of commensuration (turning qualities into quantities for use in benchmarking, league tables, and other rankings), competition, and collaboration are receiving attention, going beyond the leading Anglophone higher education and science systems. A Europe-wide higher education area facilitates coordinated national quality assurance, the transparency and recognition of qualifications obtained elsewhere, and mutual recognition of duration and degrees of study courses, and individual cross-border mobility.

New Institutional Forms and Configurations. The newly central role of higher education is also reflected in studies on the changing organizational forms in which higher education is conducted. Spurred by technological changes, global accessibility, shifting incentive regimes and accountability pressures, many universities engage in new forms of cross-border and inter-sectoral cooperation and strategic initiatives to manage enrolment and ensure impact. Some scholars have raised the specter of change that will be disrupting traditional forms of higher education, like the much-emphasized “unity of teaching and research” in favor of a new division of labor in which research becomes the exclusive domain of a few top-level organizations, while most others specialize in various forms of teaching and professional training. To date, studies suggest that a diversity of outcomes may be expected rather than a confirmation of the traditional expectation of isomorphic convergence around a few dominant models, even in the face of efforts to standardize, such as the intergovernmental Bologna process in which dozens of countries now participate. Supranational governance of research leads to global linkages sustained by competition and collaboration.

Human versus Moral Capital. As universities become more central for ensuring success in upskilled labor markets and for intergenerational status maintenance and social mobility, and as funding and policy attention shift from the humanities to social sciences and STEM fields, including health, new questions emerge about the university’s ability to survive as an agency of cultural reproduction and moral reflection. Scholars point to a growing elite-mass divide as result of selective government funding and fast-growing gaps in endowed income streams, that make the cultivation of ‘market-distant’ fields like the arts and humanities difficult to maintain for all but the richest and best endowed organizations.

III. New Frontiers

New areas of theory and research are emerging as well.

—The traditional assumption that at the micro-level institutions are shaped by importing and imitating models from their environment confronts limits in a world in which, increasingly, educational institutions become exporters of institutional models into society (as when, for example, organizational forms of graduate research training are imitated by new high-tech companies). This case of “reverse isomorphism” changes the playing field and gives rise to new sets of questions that are beginning to be addressed.

—While much institutional research has focused on the *analysis* of institutional processes, newer works also attend to elucidating features of *institutional design* that affect the behavior and performance of institutions—a line of thought that can be traced to the Federalist Papers by the American founders Madison, Hamilton, and Jay.

—The on-going explosion of digital technologies and reduced travel costs reshape higher education before our eyes. From electronic communications between scholars, instructors, and students to curricular offerings utilizing Internet platforms and blended learning (e.g., MOOCs)—the Internet continues to transform the higher education landscape and practices. The growing popularity of educational exchange—of students, staff, and faculty—and international branch campuses of various sorts that reshape global higher education underscore the importance of studies that examine the organizational and intercultural aspects of these processes.

—Shifting normative expectations and standards, including especially issues of accessibility and inclusiveness of higher education for students regardless of class, religion, race, gender, and ability are of considerable interest and attention.

—Although higher education is now a rapidly globalizing field, areas of the world such as Africa and Latin America remain persistently under-represented in (English-language) research. Thus, questions of spatial and social inclusion and stratification will require integration into institutional theorizing, also at the level of worldwide scientific research and understanding.

See also: @Editors, please supply list of other entries for cross-referencing purposes.

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