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Published in:
Strategic Organization

DOI:
[10.1177/1476127016634639](https://doi.org/10.1177/1476127016634639)

Published: 01/01/2016

Document Version
Peer reviewed version

[Link to publication](#)

Citation for published version (APA):

Raynard, M. (2016). Deconstructing Complexity: Configurations of Institutional Complexity and Structural Hybridity. *Strategic Organization*, 14(4), 310 - 335. <https://doi.org/10.1177/1476127016634639>

DECONSTRUCTING COMPLEXITY: CONFIGURATIONS OF INSTITUTIONAL COMPLEXITY AND STRUCTURAL HYBRIDITY

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ABSTRACT

This article unpacks the notion of institutional complexity and highlights the distinct sets of challenges confronting hybrid structural arrangements. The framework identifies three factors that contribute to the experience of complexity – namely, the extent to which the prescriptive demands of logics are incompatible, whether there is a settled or widely accepted prioritization of logics within the field, and the degree to which the jurisdictions of the logics overlap. The central thesis is that these ‘components’ of complexity variously combine to produce four distinct institutional landscapes, each with differing implications for the challenges organizations face and for how they might respond. The article explores the situational relevance of an array of hybridizing responses and discusses their implications for organizational legitimacy and performance. It concludes by specifying the boundary conditions of the framework and highlighting fruitful directions for future scholarship.

Forthcoming: *Strategic Organization* Special Issue on Strategic Responses to Institutional Complexity 2016

DECONSTRUCTING COMPLEXITY: CONFIGURATIONS OF INSTITUTIONAL COMPLEXITY AND STRUCTURAL HYBRIDITY

A resurgent theme of research within the institutional perspective recognizes that a central challenge for organizations is their ability to engage with heterogeneous institutions underpinned by different and, at times contradictory, sets of normative orders – or ‘institutional logics’ (Friedland and Alford, 1991; Thornton, Ocasio, and Lounsbury, 2012). The underlying argument is that organizations experience *institutional complexity* when confronted with multiple logics that prescribe divergent cultural expectations, values, understandings and identities (Greenwood, Raynard, Kodeih, Micelotta, and Lounsbury, 2011). Understanding how organizations might cope in such situations matters not only because conforming to institutional demands delivers legitimacy and aids survival, but because solving today’s complex social problems requires organizational designs that “draw from multiple institutional logics” in innovative and synergistic ways (Jay, 2013: 137). Not surprisingly, therefore, a growing stream of research has begun to examine the use of ‘hybrid’ structures in a variety of settings including social enterprise (Pache and Santos, 2013; Tracey, Phillips, and Jarvis, 2011), microfinance (Battilana and Dorado, 2010), health care (Dunn and Jones, 2010; Nigam and Ocasio, 2010; Reay and Hinings, 2009), and academic science (Berman, 2012; Murray, 2010; Sauermann and Stephan, 2013).

Insights from this body of research indicate that hybrids are inherently problematical and difficult to sustain because the convergence of multiple logics presents a number of challenges – both external *and* internal (Battilana and Lee, 2014; Kraatz and Block, 2008; Moizer and Tracey, 2010). Hybrid organizations may find it difficult, for example, to secure external support because they only partially attend to the prescriptive demands imposed by important audiences (Pache and Santos, 2013; Navis and Glynn, 2011). As Meyer and Scott (1983: 202) point out, “the legitimacy of a given

organization is negatively affected by the number of different authorities sovereign over it and by the diversity or inconsistency of their accounts of how it is to function.” At the same time, internal challenges arise when groups within the organization identify with and champion different logics – making the organization vulnerable to fragmentation and incoherence because advocates of different logics compete to impose *their* normative beliefs and interests (Battilana and Lee, 2014; Heimer, 1999; Kraatz and Block, 2008). Given the important organizational implications of these challenges, it appears that a more comprehensive exploration of how organizations experience and navigate complex institutional environments is warranted.

The starting point of this article is to interrogate the notion of institutional complexity and to reconsider the current emphasis placed on examining ‘conflicting’ logics. I argue that reducing the challenge of institutional complexity solely to the presence of incompatible logics is an oversimplification. Instead, a fuller understanding of institutional complexity requires systematic appreciation of how logics variously converge – in both conflicting and synergistic ways – to shape institutional and organizational landscapes. Institutional logics, as Meyer and Hollerer (2010: 1251) argue, can peacefully coexist, compete, supersede each other, or settle upon a temporary truce.

In this article, I argue that the various and patterned way that logics converge depends upon the degree of their incompatibility, the extent to which they are prioritized in the field, and the level of their jurisdictional overlap. These factors, in various combinations, generate four configurations of complexity. Each configuration has distinct implications for the challenges that an organization faces, as well as the relative appropriateness of particular hybrid structural arrangements.

Unpacking the various forms of institutional complexity and their organizational implications advances theory in three ways. First, it offers a nuanced way by which to differentiate and thus

compare institutional contexts – going beyond the overly parsimonious dichotomies of ‘emerging-mature’ and ‘unified-pluralistic’. Second, it reorients theorizing towards a more comprehensive account of the range of external and internal challenges confronting different hybrid organizations – for organizations do not experience complexity in the same way, or to the same extent (Greenwood et al., 2011). Third, the article extends previous work by illuminating how tensions between logic prescriptions can be amplified or mitigated at the field level, *before* organizations must contend with them. Specifically, it sheds light on field-level settlements that shape logic demands and the nature of contestation between advocates of different logics.

The remainder of the article is organized in three parts. The next section reviews how institutional complexity has been previously examined; and delineates three components that variously combine to yield analytically distinct configurations of complexity. The subsequent section discusses the implications of each configuration for both the institutional landscape that organizations encounter *and* how organizations might cope. The final section outlines the boundary conditions of the proposed framework and proposes an agenda for future research.

Institutional Complexity: Conceptual Foundations

As overarching frameworks for interpreting social reality, institutional logics are “the socially constructed, historical patterns of cultural symbols and material practices” that direct attention toward particular stimuli, specify criteria for legitimacy, and define what constitutes appropriate behavior (Thornton et al., 2012: 2). Most institutional scholars now recognize that fields do not necessarily evolve towards stability and convergence around a dominant logic, but often constitute sites of prolonged contestation – both latent and overt (Dunn and Jones, 2010; Lounsbury, 2007; Meyer and Hollerer, 2010; Reay and Hinings, 2009). This relative ‘incoherence’ of institutional

demands points to an enduring pattern of complexity that can be challenging contexts for organizations to navigate (Delmestri and Walgenbach, 2009; Greenwood et al., 2011; Raynard, Lounsbury, and Greenwood, 2013; Seo and Creed, 2002).

As a starting point, it seems reasonable to assume that the greater the number of logics in a field, the greater the extent of complexity to which organizations must respond *ceteris paribus* – because, as the number of logics increases, so too does “the number of demands that must be met” (Goodrick and Reay, 2011: 404). While the plurality of institutional logics is indeed important, this line of reasoning suggests that an organization’s experience of complexity is primarily a function of being exposed to multiple institutional demands. Such a supposition, however, misses an important part of the story – namely, that the nature of institutional demands *and* the relative power of their advocates matter. Not only are some prescriptive demands easier to ‘combine’ in practice than others, but the support of certain referent audiences may be more important to an organization’s performance and legitimacy than that of others (Mitchell, Agle, and Wood, 1997; Pfeffer & Salancik, 1978).

I argue that the pattern of institutional complexity confronting an organization is a function of three factors: (1) the extent to which the prescriptions/proscriptions of logics are incompatible; (2) whether there is a settled or widely accepted prioritization of the logics within the field; and (3) the degree to which the jurisdictional claims of the logics overlap. Each factor contributes to the experience of complexity, though not in the same way. I begin by elaborating each factor and, then, turn to the main theme and discuss how the factors converge in different ways to produce four distinct patterns of complexity.

Logic incompatibility

Incompatibility refers to situations where the prescriptions and proscriptions of multiple logics are not easily combined or adhered to in practice (Besharov and Smith, 2014; Greenwood et al., 2011). Pache and Santos (2010: 460) argue that incompatibility is particularly problematic when rooted in differences at the ‘ideological’ level of goals – because differences in goals require overt recognition of misalignments in the “core system of values and references of organizational constituencies.” Other studies have found that differences in *means* are also particularly challenging. D’Aunno, Sutton, and Price (1991), for example, showed that the mental health and drug abuse treatment sectors in the US were highly contentious because of conflicts regarding the appropriate means by which to achieve the goal of treating substance abuse. Whereas the mental health sector focused on altering environmental demands and modifying coping responses to stress, the drug abuse sector prescribed abstinence and the recognition of addiction as a disease. These competing institutional prescriptions of how to treat substance abuse created sustained challenges for organizational compliance. Similar dynamics are demonstrated in Dunn and Jones’ (2010) analysis of the field of medical education, where the logics of ‘science’ and ‘care’ co-exist in uneasy tension largely because of disagreements over appropriate means for treating patients.

Together, these studies suggest that the problematic nature of complexity is not primarily a function of whether incompatibility is rooted in goals and/or means. What matters is whether the incompatibility of means and/or ends is ‘absolute’ – such that compliance to the prescriptive demands of one logic definitively precludes adherence to those of another (Delbridge and Edwards, 2013; Elsbach and Sutton, 1992; Heimer, 1999). Institutional prescriptions that are highly specific generally have a higher capacity to constrain organizational action. Studies examining the boundary between religion and science, for instance, have noted the heightened challenges of reconciling fundamentalist Christian denominations with the natural sciences – because the former imposes

“uniform belief structures” grounded in moral ‘commands’ rather than moral ‘principles’ (Ecklund, Park, and Sorrell, 2011: 561). Thus, conflict over competing truth claims about the world, such as how planets move or where humans come from, become especially difficult to negotiate as there is little room for discretion or interpretation. As Clemens and Cook (1999: 448) point out: ‘If followed, an exclusively ‘must’ set of institutional rules would maximize accurate reproduction; a set of ‘must not’ rules would function as Hobbes’ hedges, predicting only the boundaries of what is doable; and a thoroughly ‘may’ set would minimize the institutional determination of social action promoting mutation and innovation.’ In other words, whereas ‘must’ and ‘must not’ set of institutional rules is expected to be closely followed, a ‘may’ set provides organizations with some discretion in how they might conform (Goodrick and Salancik, 1996; McPherson and Sauder, 2013; Zald and Denton, 1963).

Edelman’s work on legal institutions echoes the same reasoning, but goes further by stressing the importance of whether, and how far, institutional prescriptions are specific *and* enforced: “[l]aws that contain vague or controversial language ... and laws that provide weak enforcement mechanisms leave more room for organizational mediation” (Edelman, 1992: 1532; see also, Edelman and Suchman, 1997: 2007). It follows, then, that the experience of institutional complexity is more acute when organizations confront conflicting prescriptions that both specify in detail what is expected *and* are heavily policed – because the organization must decide which demands to satisfy or neglect (Greenwood et al., 2011; Pache and Santos, 2010).

Unsettled field-level prioritization

Fields without a well-recognized and agreed upon prioritization of logics tend to be characterized by disparate communities of actors continually seeking to usurp the dominant institutional order

(Hoffman, 1999; Reay and Hinings, 2005). Studies of emerging fields and fields undergoing transitions from one dominant logic to another have provided detailed accounts of the challenges of navigating such contentious contexts (Purdy and Gray, 2009; Rao, Monin, and Durand, 2003; Thornton, 2002). Ansari, Wijen, and Gray (2013), for example, document how the emerging global climate change field was characterized by contestation and collective inaction because there was no supranational authority with the power to compel consensus around a particular course of action. Reay and Hinings (2009) reveal similar dynamics in the established Alberta health care field, wherein an ‘uneasy truce’ evolved between advocates of ‘medical professionalism’ and ‘business-like health care’ – each expounding different organizing principles, practices, and values. Because there was no clear prioritization in the field, physicians and managers faced the challenging task of carrying out their work with “no dominant logic to guide them” (Reay and Hinings, 2009: 647). Similar challenges have been identified in the U.S. public school system, where local school districts are “dependent upon and penetrated by multiple, quasi-independent organizations and social actors, each presenting possibly conflicting, and at best uncoordinated, sets of demands and pressures” (Meyer, Strang, and Scott, 1987: 187).

The absence of a clear and widely acknowledged hierarchy of field-level audiences – and their espoused logics – generates significant uncertainty because there is no established framework for how an organization should prioritize their demands (Kraatz and Block, 2008; Pfeffer and Salancik, 1978). The problematic nature of this uncertainty is exacerbated when the proponents of different logics, while not having “enough power to clearly dominate the field ... nevertheless have enough power to constrain organizations to take their demands into account” (Pache and Santos, 2010: 458). Under these circumstances, organizations must be responsive to multiple ‘misaligned’ constituencies upon whom they are dependent.

Jurisdictional overlap

Jurisdictional overlap occurs where the prescriptive demands of logics target the same jurisdictional spaces – be they industries, professions, organizations, or practices (Smets and Jarzabkowski, 2013; Thornton et al., 2012). Such overlaps increase the potential for jurisdictional competition and disagreement among advocates of different logics. An illustration can be seen in the play of the logics of science, commerce and the state within the realm of the academic sciences (Berman, 2012; Sauermann and Stephan, 2013). Etzkowitz and Webster (1995: 480-481) observed that “science and property, formerly independent and even opposed concepts referring to distinctively different kinds of activities and social spheres, have been made contingent upon each other through the concept of intellectual property rights.” That is, following the introduction of property rights and the commercialization of science, the jurisdictional claims of the logics of science and market increasingly overlapped within academia, triggering contestation – because for many actors these efforts were contrary to the “norm of communality, which holds that scientific advances are the rightful property of the scientific community writ large” (Stuart and Ding, 2006: 101; see also Powell and Owen-Smith, 1998).

Similar contentious overlaps have been noted across the professions, which have had varying degrees of success in maintaining jurisdictional control over their respective domains (Abbott, 1986, 2005; Halpern, 1992; Whitley, 1995). As Abbott (1986: 223) points out, the complexity of professional activities in areas such as law and accounting has resulted in the “interpenetration of professional jurisdictions” in the workplace. This interpenetration creates ‘complex zones’ where action is governed by perpetual tension – tension that places “strain on the organizations and individuals caught within the shared boundaries” (Murray, 2010: 342). The problematic nature of such overlaps is exacerbated when the focus of the logics is clearly delineated and the jurisdictional

boundaries are staunchly defended, such that competing prescriptions and proscriptions rigidly target the same well-defined domain. Heimer's (1999) study of decision-making processes within neonatal intensive care units provides an illustrative example. It shows that at certain decision points when the prescriptions from law, the medical profession, and the norms of family converge, conflict typically ensues as multiple actors vie for authority to align courses of action with their beliefs and interests. Such highly targeted overlaps generate antagonistic tensions over "who should define problems, which solutions are appropriate for these problems, and what constitutes appropriate knowledge and training" (Dunn and Jones, 2010: 126).

Together, these three components – i.e. incompatibility, prioritization, and jurisdictional overlap – variously combine to produce four analytically distinct patterns of complexity: *segregated complexity*, *restrained complexity*, *aligned complexity*, and *volatile complexity*. Each configuration reflects a distinctive institutional landscape where at least two components of complexity are in play. Figure 1 illustrates the four configurations, showing how the components variously combine to spawn unique sets of opportunities and constraints for organizations.

[Insert Figure 1 about here]

Configurations of Institutional Complexity

A comprehensive understanding of how organizations experience complexity requires explicit recognition that logics co-exist in both 'competitive' *and* 'cooperative' tension (Goodrick and Reay, 2011; Smets, Jarzabkowski, Burke, and Spee, 2014). Such an understanding must take into account the nature of institutional demands confronting an organization and the relative power of the audiences to which it must be responsive. Table 1 provides an overview of the different

configurations of complexity, their organizational implications, and examples from empirical research.

[Insert Table 1 about here]

Segregated complexity

The distinctive feature of segregated complexity is the field-level settlement of jurisdictional boundaries between logics. Each logic, in other words, has acknowledged authority over a distinct domain of actors, activities, and/or practices – and further, has its own institutional infrastructure to protect, support, police, and reproduce its prescriptions and proscriptions (Kodeih and Greenwood, 2014; Raynard and Kodeih, 2013; Waldorff and Greenwood, 2012). Thus, even though the prescriptive demands of the logics may be incompatible *and* their prioritization in the field unsettled, the possibility of contestation and the jostling of interests is modest.

A striking example of segregated complexity is the mature field of professional services, which is jurisdictionally divided along disciplinary lines. Greenwood, Suddaby and Hinings (2002) observe that law and accounting professions long co-existed without incident because each had its own acknowledged jurisdictional domain – a domain that was institutionalized and instantiated in a professional infrastructure of associations, education and training systems, and conferences. This segregation meant that even though the professions overlapped in the provision of tax services, “potential conflicts were traditionally contained amicably” (Greenwood and Suddaby, 2006: 34). Zilber’s (2011) study of the Israeli high-tech field reveals similar dynamics. It shows how institutional multiplicity was preserved by relegating different institutional discourses, meaning systems, and modes of activity into distinct social spaces. Because the field was segmented into

multiple spheres governed by different dominant discourses, competing logics could be “played out in full, yet not together” (Zilber, 2011: 1553).

Such field-level jurisdictional divisions, as Lounsbury’s (2007) study of the US mutual fund industry demonstrates, can be reinforced by *geographical* separation. The study showed that ‘trustee’ and ‘performance’ logics co-existed for decades, each separately guiding the behavior of professional money management firms respectively located in Boston and New York. In Boston, the trustee logic was dominant and the main goal of mutual fund firms was wealth preservation – achieved through conservative long-term investing strategies and hiring practices based on pedigree and propriety. In New York, by contrast, the performance logic was dominant and the emphasis was on short-term annualized returns – achieved through aggressive investing techniques and by hiring based on merit. Despite incompatible prescriptions regarding the mission, goals, and practices of mutual fund firms, the logics peacefully co-existed within the field for years because their proponents claimed authority over separate geographic domains. Geographic segregation, in other words, eased the experience of institutional complexity.

Implications for organizations. Segregated complexity is, in many ways, the least challenging for organizations to navigate because of the low incidence of contestation among field-level audiences. In these situations, advocates of different logics impose demands on *different* sets of actors and/or practices – such that an organization can mitigate external challenges by selecting and attending to only one group of institutional referents, or by mirroring the field-level settlement of jurisdictional boundaries. An organization can, for example, adopt a ‘dedicated unitary structure’ that is grounded in *one* logic. This type of structural response represents a strategy of ‘avoidance’ (Oliver, 1991) or ‘exit’ (Purdy and Gray, 2009) in that the organization ignores or marginalizes obligations imposed by all but *one* group of external constituents (Kraatz and Block, 2008; Pfeffer

and Salancik, 1978). Thus, while the organization field may be institutionally complex, the organization avoids or disengages from this complexity by focusing on one set of institutional prescriptions. An exemplary example would be a firm arranged around the services delivered by a *single* profession (Greenwood and Suddaby, 2006).

Alternatively, an organization can internalize the jurisdictional boundaries between different logics through ‘structural compartmentalization’ – variously referred to as ‘differentiated’, ‘segmented’, or ‘compartmentalized’ (Boxenbaum and Jonsson, 2008; Smith and Lewis, 2011; Tushman and O’Reilly, 1996). In this arrangement, the organization attempts to gain legitimacy and social approval from *multiple* field-level audiences – creating independent units, each accommodating the demands of one logic (i.e. answering to one specific institutional audience). The organization, in other words, mirrors the field-level jurisdictional settlement between logics; and, in doing so, signals its compliance to the conflicting demands of disparate audiences. An example is Denis, Lamothe and Langley’s (2001: 809) observation that tensions between economic and professional values in healthcare institutions “can be resolved through ‘segmentation’ ... in which different parts of an organization function autonomously with minimal linkage between them.” Ferlie, Fitzgerald, Wood, and Hawking (2005: 129) found the same structural arrangement in the UK healthcare system, wherein “cellular, self-sealing, institutionalized” professional units constituted distinct communities shaped by, and responsive to, particular field-level referents. Such structural compartmentalization mitigates the competitive tension between institutional demands that are difficult to combine, and that are both “equally valid and relevant to organizational functioning” (Besharov and Smith, 2014: 369). Thus, the organization is responsive to multiple audiences without necessarily privileging the demands of one over another.

Proposition 1a: Organizations can ease the experience of segregated complexity by ignoring or marginalizing the demands of all but one group of institutional referents – i.e. adopting a ‘dedicated unitary structure’; or, by responding to disparate audiences through structurally-compartmentalized units.

Although organizations can adopt various structural arrangements to ease the experience of segregated complexity, there are important challenges that need to be addressed. An organization that narrowly hews to one logic (i.e. the dedicated unitary structure) may be particularly vulnerable to obsolescence should the environment or the demands of institutional audiences change – that is, if the ‘selected’ logic were to become marginalized or displaced. As Thornton (2002: 82) points out, “[w]hen a shift to a new logic occurs, firms that continue to embody old organizational forms become deviants that are particularly vulnerable to change pressures.” In such instances, an organization’s external legitimacy could be called into question – threatening its performance and, ultimately, its survival. Greenwood and Suddaby (2006), for example, show that the blurring of field-level boundaries between accounting and law professions generated new challenges for accounting firms focused exclusively on providing accounting services. These firms increasingly lost market share to the Big Five accounting firms, which were providing multidisciplinary services to their transnational clients. The changing competitive environment made the singular focus on one set of professional activities problematic because it constrained the firms’ ability to meet the increasingly diverse needs and demands of their clients. Many small accounting firms, thus, abandoned the dedicated unitary structure in favor of a new organizational form – the multidisciplinary practice.

To avoid some of the challenges and vulnerabilities associated with the dedicated unitary structure, organizations can choose to internalize *multiple* logics in highly differentiated departments or units. Such a hybrid structure, however, comes with inherent trade-offs. In particular, it is susceptible to

internal conflicts should jurisdictional boundaries shift, blur or become challenged. As Glynn and Lounsbury's (2005) study of the Atlanta Symphony Orchestra (ASO) shows, contestation and instability followed the blurring of the traditional jurisdictional settlement between 'aesthetic' and 'market' logics. As resource constraints worsened, the need arose "to more consciously engage in ideas and practices related to the market logic at the risk of bastardizing the historically understood *raison d'être* of symphony orchestras" (Glynn and Lounsbury, 2005: 1034). This disturbance of jurisdictional boundaries not only threatened the legitimacy and performance of the ASO, but also generated conflict over appropriate goals and values – pitting musicians who advocated 'cultural authenticity' against the board, which promoted a 'corporate mentality' based on achieving financial goals.

For organizations adopting this type of structural arrangement, attention to internal organizational boundaries may be especially critical – as episodic and 'localized' contestations are likely to flare up between units or departments guided by divergent goals, practices and priorities (Smets and Jarzabkowski, 2013; Smith and Lewis, 2011; Wry, Cobb, and Aldrich, 2013). To mitigate these flare-ups, organizations can symbolically reinforce structural boundaries. Pratt and Rafaeli's (1997) study of a large Mid-western university hospital, for example, shows how rehabilitation and intensive care units evolved distinct dress codes that reflected divergent social identities and professional logics. Smets, Jarzabkowski, Burke, and Spee (2015), similarly, find that underwriters in Lloyd's of London relied on multiple structural features of work such as scheduling, physical spaces, and dress codes to reassert the boundaries between the enactment of community and market logics. Such reinforcement of structural boundaries not only reduces the potential for conflicts, but also maintains the distinctive value systems, identities and understandings that underpin different logics.

Taken together, insights from these studies suggest that in situations of segregated complexity, organizations face the external challenge of navigating potential shifts or contestations of field-level jurisdictional boundaries; and the internal challenge of negotiating and maintaining boundaries between differentiated units or departments.

Proposition 1b. In situations of segregated complexity, organizations may opt for structurally-compartmentalized units over a ‘dedicated unitary structure’ if field-level jurisdictional boundaries between advocates of different logics are liable to blur, shift or become contested.

Proposition 1c. In situations of segregated complexity, the importance of boundary reinforcing practices and dispute arbitration procedures increases as the coordination between differentiated units becomes necessary or increasingly frequent.

Restrained complexity

The distinguishing feature of restrained complexity is the settled prioritization of logics at the level of the field. Thus, even though incompatible logics target the same jurisdictional domain, overt contestation between advocates of the different logics is suppressed. Thornton and Ocasio’s (1999) study of higher education publishing provides a good illustration, showing a clear dominance of the ‘editorial’ logic over the ‘market’ logic between the 1960s and the early 1970s. This dominance meant that institutional expectations were centered on portraying and practicing publishing as a ‘profession’ rather than a ‘business’. In reflecting this settled prioritization, the field was comprised of modest-sized publishing houses that were expected to focus more on building prestige and sales through the leadership of the founder-editor than on enhancing competitive position and increasing profit margins.

A similar prioritization of logics is evident in the U.S. field of health care through most of the twentieth century – where the dominance of the logic of ‘physician authority’ over the logic of ‘managed care’ gave physicians unquestioned authority in medical settings, while administrators

played the role of passive facilitators and financiers (Nigam and Ocasio, 2010; see also Heimer, 1999). Likewise, Meyer and Hammerschmid (2006) show that because a ‘legalist-bureaucratic logic’ dominated the Austrian public sector up until the late 1980s, organizational attention and decision-making was directed toward legal and procedural correctness as opposed to performance- and efficiency-related criteria. Public sector executives thus viewed themselves first and foremost as ‘servants of the state’ with a broad mandate to execute and enforce specific processes, rules and directives – rather than as ‘professional managers’.

As these examples demonstrate, when there is a settled prioritization of logics within a field, it is clear to which audience especial attention has to be given. In such contexts, rules typically become “more clear, better specified, more uniform and integrated” (Meyer et al., 1987: 190).

Implications for organizations. Because there is a settled prioritization of logics within the field, an organization’s experience of complexity is somewhat simplified – in that the relative importance of institutional demands is, at least temporarily, resolved. That is, the experience of complexity is eased because competing demands are worked out at a higher level, either by negotiation between field-level actors and/or by dominant actors enforcing compliance (Greenwood et al., 2011). Nevertheless, an organization may find restrained complexity more challenging to navigate than segregated complexity because the organization must be responsive to disparate audiences that claim authority over the *same* sets of actors or practices. This overlap of jurisdictional claims not only implies a latent tension between field-level audiences advocating incompatible logics, but also suggests that organizations are precluded from adopting structures that focus on one logic to the exclusion of others (e.g. the ‘dedicated unitary structure’).

In attending to field-level settlements for how institutional prescriptions should be prioritized, organizations have been found to adopt various structural arrangements. Some organizations do so ceremonially through ‘symbolic decoupling’, a response long recognized by institutional scholars (for recent reviews, see Boxenbaum and Jonsson, 2008; Bromley and Powell, 2012). In one sense, symbolic decoupling is a form of covert resistance to the field-level prioritization: the organization appeases field-level advocates of logics to which it prefers not to respond by adopting structures or practices that give the appearance of conformity, but that in reality have little impact (Fiss and Zajac, 2004; MacLean and Behnam, 2010; Meyer and Rowan, 1977; Sandholtz, 2012). Lander, Koene and Linssen’s (2013: 130) study of accounting firms, for example, shows that in response to a shift in the field-level prioritization of logics, firms began to “selectively adopt practices related to the commercial logic, while retaining a principal commitment to the trustee logic.” In a similar vein, Lounsbury’s (2001) study of US recycling programs reveals that small public universities adopted ‘minimalist’ waste management programs in response to the State’s efforts to encourage recycling – i.e., they only modestly expanded the role of current employees, instead of creating new positions with dedicated resources.

Other organizations cope with restrained complexity by accommodating and prioritizing logics in the same hierarchical order as found in the field. Greenwood, Diaz, Li, and Lorente (2010: 254), for example, show that during the Franco regime in Spain, organizational strategies and practices reflected the unquestioned dominance of both the state and family logics – privileging the traditional values of “family obligation and denial of self-interest” *over* financial concerns and market exigencies. Similarly, Laughlin (1988: 38) reveals how the practices and structures of the Church of England prioritized the ‘sacred’ and ‘legitimate’ core over peripheral, secular support activities such as accounting and resourcing. These types of hybrid forms prioritize and channel attention according

to the agreed upon hierarchical arrangement of logics in the field – i.e. “in the order of their importance for organizational legitimacy” (D’Aunno et al., 1991: 642).

Jones, Maoret, Massa, and Svejenova (2012) document a similar response in their study of the emergence of modern architecture. The study shows that as architects became exposed to, and influenced by, a wider range of clientele, they faced increasing pressure to accommodate alternative minority logics – namely, commerce, state, religion, and family. To accommodate clients from these different societal sectors, firms created separate units or divisions that – while guided by the dominant professional logic of architecture – were ‘sensitized’ to the alternative logic advocated by their specific clientele. Such a structural arrangement reflects a specific form of compartmentalization, where the firm as a whole is grounded in *one* dominant logic while having different units attend to specific minority constituencies. Put simply, the firm is ‘hierarchically’ compartmentalized.

Proposition 2a. Organizations can ease the experience of restrained complexity by covertly resisting the field-level prioritization of logics through ‘symbolic decoupling’; or, by mirroring the settled prioritization by adopting practices and structures that accommodate logics in the same hierarchical order as found in the field.

Restrained complexity presents a number of external and internal challenges for organizations. On the one hand, if an organization attempts to resist the field-level prioritization of logics, it runs the risk of offending and losing support from powerful referent audiences – in particular, proponents of the prioritized logic. This form of response is especially risky in fields with well-established mechanisms for monitoring, policing, and enforcing the institutional prescriptions of the prioritized logic – as non-compliance is likely to be noticed and sanctioned by field-level audiences (Elsbach and Sutton, 1992; Kostova, Roth, and Dacin, 2008). On the other hand, if an organization chooses to internalize the field-level prioritization of logics, it may be particularly susceptible to power

struggles and tension among internal constituencies advocating different logics. Moreover, should the prioritization of logics in the field shift, organization members are likely to experience uncertainty and conflict over appropriate goals and courses of action (Kraatz and Block, 2008; Lepoutre and Valente, 2012; Meyer and Hammerschmid, 2006). Anteby's (2010) study of US commerce in human cadavers illustrates the tensions that arose following the introduction of a new legal framework that encouraged the buying and selling of cadavers for profit. The new framework disturbed the hierarchical settlement between the logics of 'profession' and 'market' by blurring the distinction between academically housed 'professional' programs and those of independent 'commercial' business ventures. Suddenly, professionals were "confronted with their worst fear, namely, being associated with the historical body-snatcher image" (Anteby, 2010: 614). To address the threat to their professional identity, the professionals constructed a narrative distinction between their activities and the implicitly 'less moral alternative'; and, further, geographically insulated their trade from the broader market for cadavers.

Jay (2013) reveals similar challenges in his study of the public-private Cambridge Energy Alliance. The study traces how the shifting salience of 'business' and 'non-profit' logics required several rounds of negotiation and sensemaking to resolve conflicts over how to identify and measure success. Likewise, Dutton and Dukerich's (1991: 574) study of Port Authority's struggle with the issue of homelessness illustrates a cycle of trial-and-error image management that was triggered by the blurring of 'business issues' and 'moral issues'. As moral issues gained prominence and support from important referent audiences, it created tension between the organization's identity as a professional organization with technical expertise and its identity as an ethical, altruistic public service organization.

As these studies demonstrate, the disturbance of a hierarchical settlement between field-level logics can leave organizations vulnerable to destabilizing conflicts and tensions over appropriate goals and actions. Such external challenges typically call for the recalibration of practices and structures, as well as the reconstruction of organizational identities (Dutton and Dukerich, 1991; Kodeih and Greenwood, 2014; Glynn, 2008; Lok, 2010; Smets, Morris, and Greenwood, 2012). To mitigate vulnerability to shifts in the relative power of field-level advocates of different logics, organizations may choose to covertly resist internalizing the field-level prioritization of logics through symbolic decoupling.

Proposition 2b. In situations of restrained complexity, an organization may opt for ‘symbolic decoupling’ over mirroring the field-level prioritization logics if the relative power between referent audiences is liable to shift.

Proposition 2c. In situations of restrained complexity, the importance of practices and procedures that help recalibrate organizational structures and identity increases as the power differentials between advocates of different logics change.

Aligned complexity

The distinctive feature of aligned complexity is that the prescriptions of the logics in play may be compatible and mutually reinforcing. As such, even though the jurisdictional claims of the logics overlap and their prioritization in the field remains unsettled, contestation between field-level constituencies can be *constructive*. As Dunn and Jones (2010:127) point out, “[w]hen the philosophies, normative understandings, and values of logics complement each other or cohere, professionals can work with institutional pluralism even when there may be tensions and encroachments in jurisdictional domains.” To the extent that the logics in play are complementary, they have the potential to generate stable and mutually reinforcing social systems and interactions (Besharov and Smith, 2014; Clemens and Cook, 1999).

Goodrick and Reay (2011) show that even though multiple coexisting logics concurrently influenced the work of pharmacists, standards consistent with different logics did not necessarily amount to a zero sum game of competing mandates – that is, professionals were not forced to choose between logics. Instead, the market logic ‘supported’ the professional logic by helping educate consumers through media advertising, which facilitated more effective interactions between consumers and pharmacists. The same potential for aligned complexity has been documented in microfinance, where the coherence of ‘market’ and ‘social welfare’ prescriptions has been leveraged in constructive contestation – particularly, as advocates of the logics work together to solve a pressing social problem (Battilana and Dorado, 2010; Ashta and Hudon, 2012).

The potential for constructive contestation implies that the dynamics within the field are very different from that of the previous two configurations. That is, instead of competing to impose a ‘system of domination’ that will serve their own interests and agendas (Fligstein & McAdam, 2012; Scott, 2014), advocates of different logics may be incentivized to identify and negotiate collaborative opportunities. Lee and Lounsbury’s (2015) study of industrial facilities in communities across Texas and Louisiana provides an illustrative example of the inherent compatibility between ‘proenvironmental’ and ‘state regulatory’ logics. Specifically, they find that because the logics shared value commitments toward environmental improvement, advocates of the different logics did not perceive one another as foes but as partners with the same overarching goal. Accordingly, advocates of the logics were more open and willing to ‘couple’ their activities – notably, reinforcing state regulatory actions with normative pressures and local environmental activism.

Implications for organizations. Aligned complexity presents a distinct set of challenges for organizations. These challenges center on developing and maintaining productive tensions between logics – specifically, in ways that capture the synergistic and value-enhancing potential of

compatible logics (Besharov and Smith, 2014; Jay, 2013; Goodrick and Reay, 2011). To accomplish this task, organizations have been found to adopt ‘blended hybrid’ structures that assemble individuals identifying with different logics into a unit or team (Almandoz, 2012; D’Aunno et al., 1991); or, alternatively, for particular projects or purposes (Battilana and Dorado, 2010; McPherson and Sauder, 2013; Smets et al., 2015; Zilber, 2002).

The simplest form of blended hybrid draws on ‘integrative devices’ to connect structurally differentiated units. In many ways, this hybrid form is an elaboration of the organizational arrangements initially outlined by Lawrence and Lorsch (1967), who emphasized the importance of using integrative structures when the interdependency between differentiated units is high. Battilana and Lee (2014: 418) provide a more contemporary elaboration, noting that some social enterprises maintain “spaces of negotiation” as a means to facilitate coordination across commercial and social sub-units. By enabling staff members to come together and discuss how to handle trade-offs, such spaces may not only generate consistent and reinforcing organizational action, but also provide opportunities for cross-fertilization and learning (Besharov and Smith, 2014; Greenwood et al., 2010). The main advantage of this type of structural arrangement is that it enables the organization as a whole to exploit the benefits of integration, while retaining the integrity of its specialized units.

Instead of employing integrative devices, organizations can adopt more complex blended structures, which integrate multiple logics in virtually every facet of the organization – i.e. into the very DNA of the organization. Battilana and Dorado’s (2010) examination of microfinance organizations in Bolivia, for example, shows how an organization was able to fuse the logics of ‘banking’ and ‘development’ through a *tabula rasa* hiring process, which favored individuals who were not steeped in a particular logic. Through such hiring and socialization practices, the organization was able to combine the logics in unprecedented ways – in essence, allowing it to cultivate a virtuous

cycle where operational excellence and profitability were used to fuel its social mission of providing financial services to the poor.

Proposition 3a. Organizations can ease the experience of aligned complexity by adopting ‘blended’ hybrid structures that facilitate constructive contestation and problem-solving in the enactment of multiple logic prescriptions.

Although the potential compatibility of logic prescriptions creates opportunities for collaborative behavior, exploiting such opportunities typically requires extensive commitment and time. This suggests that the use of integrative devices to connect structurally discrete units – while relatively simple and easy to implement – may be limited in its ability to capture the full advantages of drawing upon compatible logics (Goodrick and Reay, 2011; Smets et al., 2015). Organizations adopting this structural option, in other words, may be at a competitive disadvantage compared to their counterparts with more extensively blended hybrid structures. As Battilana and Dorado’s (2010) study demonstrates, creating a symbiotic relationship between logics requires careful cultivation and continued vigilance – such that it may only be viable in *new* organizations, where the blending of logics in the organization’s identity, practices, structures, and membership is accomplished from the ‘ground up’. Older organizations may, therefore, find it difficult to develop such a symbiotic relationship because of inertial forces such as tradition and the play of interests vested in one logic (Scott, 2014; Smith and Lewis, 2011; Tracey et al., 2011).

The extensive blending involved in such hybrid structures requires organizations to be especially cognizant of managing the ‘fragile equilibrium’ between logics – for studies have shown that there is a tendency for blended hybrids to suffer ‘mission drift’, where one logic comes to dominate the other (Battilana and Lee, 2014; Cull, Demirgüç-Kunt, and Morduch, 2007; Smith et al., 2013). As this happens, the organization not only loses the advantages of combining logics, but risks offending proponents of the marginalized logic. Thus, while there are potential synergies that can be harnessed

from internalizing and combining logics, organizations differ in their capacity to build and nurture this hybridity.

Proposition 3b. In situations of aligned complexity, organizations may opt for more extensive blending strategies and structures if the alignment of interests between field-level advocates of different logics is stable and mutually reinforcing.

Proposition 3c. In situations of aligned complexity, the importance of practices and procedures that extensively blend logics increases as the potential synergies in the enactment of logic prescriptions increase.

Volatile complexity

The volatile configuration is likely the most challenging for organizations to navigate because there is no field-level settlement of jurisdictional boundaries, nor is there an agreed upon prioritization of incompatible logics. With all three components of complexity present, the field-level landscape is particularly contentious and unstable – resembling sites of ‘institutional war’ (Hoffman, 1999). Yet, recent studies have underscored the possibility of an institutionalized accommodation of incompatible logics (Dunn and Jones, 2010; Reay and Hinings, 2009). That is, instead of engaging in prolonged destructive contestation, field constituents negotiate a reciprocated, albeit uneasy, ‘tolerance’ of multiple logics – thereby accepting that only *some* of their demands will be met (Dunn and Jones, 2010; Purdy and Gray, 2009; Scott, Ruef, Mendel, and Caronna, 2000).

In their examination of public employment services in the Netherlands, van Gestel and Hillebrand (2011: 232) show that the field settled into a quasi-permanent state of institutional flux because advocates of the state, corporatist, and capitalist market logics were obliged to ‘tolerate’ plurality. A similar situation is evidenced in the field of alternative dispute resolution, where the “absence of a dominant, overarching regulatory or professional framework that could impose field-level standards” contributed to continued fragmentation and the institutionalization of multiple logics (Purdy and Gray, 2009: 372). Because advocates of different logics do not have the power or

authority to exert sustained dominance, the field is typically characterized by the uneasy co-existence of multiple non-dominant logics.

Implications for organizations. Without a field-level settlement, organizations not only face a contentious and relatively unstable institutional landscape, but the onus is placed upon *them* to prioritize and arbitrate among competing institutional demands (Kraatz and Block, 2008; Pfeffer and Salancik, 1978). At the same time, however, they may have greater discretion over how they choose to respond because they do not face pressure from institutional audiences to maintain jurisdictional boundaries or to prioritize logics in a particular manner. As Goodrick and Salancik's (1996) study of caesarean section surgeries demonstrates, uncertain and relatively unspecified standards afforded hospitals greater discretion – allowing their 'particularistic' competitive interests to guide their definitions of appropriate action.

The lack of field-level coherence around a specific response or institutionalized template enables organizations to adopt idiosyncratic structures aligned with their particular strategic interests and constraints. Zald and Denton (1963), for example, show how the YMCA created a 'federated structure' of decentralized and relatively autonomous decision centers as a means to flexibly attend to the demands of different local communities. A similar arrangement is illustrated in Binder's (2007) study of the supportive direct services field, which shows how a transitional housing organization was organized around three separate but interdependent service departments – each free to specialize and respond differently to its unique resource environment. These studies demonstrate the potential efficacy of robust flexible structures in situations of volatile complexity – as such structures enable the organization to 'organically' attend to multiple conflicting goals and strategic priorities.

Another means for coping with volatile complexity is the adoption of relatively temporary, task-oriented or project-based arrangements. McPherson and Sauder's (2013) ethnographic study of a drug court provides an exemplary example. Drug courts bring together representatives from diverse occupational backgrounds (i.e. from judges to probation officers to clinicians) on a case-by-case basis – with the aim of providing an alternative judicial process for non-violent substance-abusing offenders. To solve practical problems and get the work done, drug court professionals creatively use their own logics and incorporate those of others in order to “stabilize what would otherwise be a precarious equilibrium” (McPherson and Sauder, 2013: 186). This type of arrangement, in other words, brings together a diverse group of actors who champion different logics, yet who are able to flexibly invoke or accommodate other logics to manage everyday work (see also, Smets et al., 2012). By exposing and conditioning actors to work with multiple logics, such arrangements enable the organization to flexibly vacillate between different structural alternatives (Nickerson and Zenger, 2002).

Pache and Santos' (2013) notion of 'selective coupling' reflects a similar response – where an organization incorporates intact elements prescribed by different logics. In doing so, the organization signals compliance to multiple institutional demands without having to engage in negotiations or risky deceptions – as in the case of symbolic decoupling or ceremonial compliance. In these instances, organizations can draw upon “a much broader repertoire of institutionalized templates that they can combine in unique ways... to craft a configuration of elements that fits well with the demands of their environment and helps them leverage a wider range of support” (Pache and Santos, 2013: 994). Such a strategy is similarly illustrated in Zilber's (2002) study of a rape crisis center in Israel – whereby the center's goals, formal structure and managerial procedures adhered to the prescriptions of a 'feminist' logic; while its power structure, hiring practices, and

external image signaled compliance to a ‘therapeutic’ professional logic. Together, these studies show how a ‘mix and match’ integration strategy facilitates the purposeful combination of elements from different logics as a means to accommodate the expectations of different field-level audiences. Such purposeful, and often improvised, combination provides opportunities to develop innovative responses to conflicting demands.

Proposition 4a. Organizations ease the experience of volatile complexity by adopting federated or task-based structures characterized by semi-autonomous, decentralized units or teams that flexibly invoke or combine multiple logics.

Although federated structures may ease the experience of complexity, they are associated with a distinct set of risks and challenges. It may be difficult, for example, to foster a ‘managed alignment’ or ‘interdependence’ among highly differentiated, loosely coupled units – for, as Besharov and Smith (2014) point out, without adequate structures that both differentiate and integrate logics, conflicts between subgroups or units can become problematic. Beyond susceptibility to internal fragmentation and polarization, an organization adopting this type of structural arrangement is also prone to redundancies in structures, tasks and support activities among its decentralized, uncoordinated units. Thus, while federated structures provide the benefits of flexibility and responsiveness, these are generally gained at the expense of coordination and collaboration among different units, which may engage in self-interested behavior to further their own goals (Battilana and Dorado, 2010; Besharov and Smith, 2014).

Although temporary task-oriented or project-based arrangements may circumvent some of these challenges, it is not always easy to flexibly recombine and reallocate individuals and resources across different projects (Jansen, Tempelaar, van den Bosch, and Volberda, 2009; Tushman and O’Reilly, 1996). Oftentimes such arrangements require extensive resources and training to enable advocates, steeped in their respective logics, to coordinate their efforts to ‘get the job done’ –

because not only they are motivated by divergent interests and agendas, but they are vested in different value systems and vocabularies of practice (Battilana and Dorado, 2010; Glynn, 2008; Greenwood et al., 2011). The challenge, thus, lies in dynamically balancing and negotiating among logics in order to mitigate the threat of polarization and intractable conflict. Despite this challenge, organizations adopting temporary task-oriented or project-based arrangements may be better able to respond to shifting situational exigencies than those with federated structures.

Proposition 4b. In situations of volatile complexity, organizations may opt for a task-based structure over a federated structure if the alliances and temporary truces between field-level advocates of different logics are constantly shifting.

Proposition 4c. In situations of volatile complexity, the importance of practices and procedures that flexibly invoke multiple logics whilst maintaining their distinction and resilience increases as the interdependence between logics increases.

Discussion

The motivation for this paper has been to better understand the various and patterned ways that logics converge to shape institutional landscapes. The starting point was to propose a fuller conceptualization of institutional complexity in the hope that it might frame our understanding of both organizational fields and hybrid organizations. This conceptualization centers on the thesis that an organization's experience of complexity depends upon three key factors – which, in various combinations, present distinct sets of challenges for organizations. By explicitly recognizing that logics co-exist in both competitive and cooperative tension (Besharov and Smith, 2014; Goodrick and Reay, 2011; Jay, 2013; Meyer and Hollerer, 2010), the proposed framework offers a roadmap for subsequent research on organizational fields, hybrid structural arrangements, and institutional logics and complexity.

Implications for the study of organizational fields

In outlining four analytically distinct configurations of complexity, the framework speaks to a wide array of institutional phenomena, including field-level contestation, instability and innovation. I have suggested, for example, that different configurations of complexity are characterized by varying degrees of contestation and instability. My suspicion is that volatile complexity is characterized by the highest degree of field-level contestation and instability because there is no established institutional settlement among advocates of incompatible logics. Such conditions stand in stark contrast to that of aligned complexity, which is characterized by the play of relatively compatible logics. The compatibility of the logics suggests that the experience of contestation is not over which logic's prescriptions should receive priority, but of learning how to promote and harness constructive debates and synergies. The field of social enterprise, for example, has been characterized by more constructive contestation and engagement between advocates of different logics than the field of genetic engineering, which has increasingly pitted certain religious denominations against members of the scientific community.

Interestingly, despite these divergent conditions, it is likely that both volatile and aligned complexity are conducive to innovation activity – though, for very *different* reasons. Both configurations provide opportunities for actors to reflect upon “the institutional logics ordering their world and to consider previously unthinkable possibilities” (Smets et al., 2012: 878). However, whereas volatile complexity does so by drawing attention to institutional contradictions (Greenwood and Hinings, 2006; Seo and Creed, 2002; Schneiberg and Lounsbury, 2008), aligned complexity does so by creating incentives for experimentation and collaborative action (Battilana and Dorado, 2010; Pache and Santos, 2013).

By articulating *how* and *why* institutional contexts differ, the framework offers a more systematic way by which to recognize and capture fields as “richly contextualized spaces” characterized by

different opportunities and constraints (Wooten and Hoffman, 2008: 138). Further research is needed, however, to more fully understand the complex interrelationships between particular patterns of complexity and key field-level phenomena. Future studies could, for example, explore the factors and conditions that drive organizations to focus on managing contradictions instead of leveraging complementarities among logics. One such line of inquiry could examine how institutionalized incentive structures in a field promote or discourage coordination among advocates of different logics. Another line of inquiry could examine how dominant field-level audiences channel attention toward particular environmental stimuli, or influence how certain events are perceived (c.f. Nigam and Ocasio, 2010).

Implications for the study of hybrid organizational arrangements

In articulating why some structural arrangements may be better suited to particular patterns of complexity than others, I am not suggesting that organizational designs are simply a normative choice by powerful rational actors responding to quasi-stable environments (cf. Van de Ven, Ganco, and Hinings, 2013). Instead, organizational responses should be viewed as evolving within dynamic and complex institutional landscapes – contexts, which shift and change as settlements unravel or are renegotiated (Delbridge and Edwards, 2008; Rao and Kenney, 2008; Schneiberg, 2007). That is, my treatment of organizational responses to complexity is meant to highlight the repertoire of ways by which organizations might cope – for, as Lepoutre and Valente (2012: 300) point out, “multiple variations of conformity to the same institutions may exist.”

The purpose of the proposed framework is to draw attention to important considerations in the alignment of hybrid structures to different, and often changing, patterns of complexity. These structures may usefully be characterized as either ‘complexity reducing’ or ‘complexity absorbing’

(Ashmos, Duchon, and McDaniel, 2000; Boisot and Child, 1999). Whereas some hybrid structures externalize or ‘reduce’ complexity by avoiding, marginalizing, or denying some of the external institutional demands placed upon the organization; other structures internalize or ‘absorb’ complexity by mirroring field-level institutional settlements (Kraatz and Block, 2008; Oliver, 1991; Pache and Santos, 2010). It is likely that the latter set of structures is more appropriate in situations where the logics at play are potentially compatible, or when there is a well-established and widely accepted field-level settlement regarding jurisdictional boundaries and/or the prioritization of logics. Conversely, the former set of structures may be more effectively deployed in situations where the simultaneous enactment of multiple logics has the potential to trigger intractable conflict and polarization.

Future studies could usefully draw upon insights from cognate streams of research such as strategy and entrepreneurship to identify the conditions under which one set of structures may be more appropriate than the other. For example, studies from strategy suggest that in volatile competitive environments, a hybrid ‘stuck in the middle’ approach may provide more flexibility to adapt than a complexity-reducing response that commits a firm to a specific strategy (Dess and Davis, 1984: 486). Additionally, studies in this tradition suggest that in resource-constrained environments, internalizing multiple logics in structurally compartmentalized units can lead to redundancies that place a great deal of strain on organizational resources (c.f. Smith and Lewis, 2011). Opening new channels of cross-disciplinary dialogue would provide a more nuanced depiction of how the interplay of logics, political interests, values, and resource constraints shape an organization’s experience of complexity (Friedland, 2012; Wry et al., 2013).

Another potentially fruitful line of research could explore the organizational-level factors that influence not only the experience of complexity, but also the relative effectiveness of particular

responses. Three factors, in particular, warrant further inquiry. The first is an organization's position in the field – or its relative power vis-à-vis field-level institutional audiences. Powerful or central organizations would potentially have more discretion over their response repertoire because they are less 'captured' by referent audiences than their less powerful counterparts (Battilana, Leca and Boxenbaum, 2009; Greenwood and Suddaby, 2006; Lepoutre and Valente, 2012). These organizations, in other words, may be less obliged to closely follow the prescriptions and proscriptions of particular logics, *or* less vulnerable to the consequences of non-compliance. At the same time, however, central organizations may be highly 'visible' and, thus, more closely scrutinized. This heightened attention from institutional audiences could restrict an organization's responses – for example, limiting the effectiveness and, hence, the use of symbolic decoupling strategies because of the higher possibility of being exposed (Okhmatovskiy and David, 2012).

Whether an organization has more or less discretion over its response repertoire may depend on the pattern of complexity it confronts. Under situations of volatile complexity, for example, powerful and visible organizations may have greater potential to shape the field because the lack of a widely accepted and established template of responses may push other organizations to follow their lead. In situations of restrained complexity, however, these same organizations may be especially motivated to conform to (and reproduce) the status quo because their central position of privilege is tied to existing hierarchical arrangements. More research is needed to better understand how power and visibility interact to shape the way an organization experiences and attends to institutional complexity.

A second important factor is an organization's capacity to strategically position itself within a field *or* at the interstices of multiple fields. A new organization, for example, may be able to position itself to reduce or minimize its obligation to respond to particular constituent groups (Kraatz and

Block, 2008; Pfeffer and Salancik, 1978). Alternatively, it could position itself to take advantage of ‘structural holes’ (Burt, 2009) – wherein “[b]eing at the cross roads of distinct logics ... affords leaders greater latitude in developing novel, creative alternatives to existing institutional arrangements” (Smith et al., 2013: 417). Positioning at the interstices of multiple fields can thus promote reflexivity and greater awareness of alternative conventions (Greenwood and Suddaby, 2006; Seo and Creed, 2002). Yet, at the same time, it can place organizations upon “cultural and societal fault lines,” forcing them to navigate inherently different institutional landscapes (Kraatz and Block, 2008: 254). A striking example of such interstitial positioning is the multinational enterprise, which can mitigate operational constraints and leverage economies of scale and scope by establishing offices and production factories in more ‘hospitable’ regions – e.g., places with lower labor costs and more lax regulations (Kostova and Roth, 2003; Kostova, Roth, and Dacin, 2008). By straddling multiple fields, however, the multinational enterprise is subjected to multiple regulatory regimes. Such strategic positioning creates a unique pattern of complexity that may exacerbate conflicts between advocates of certain logics, while spawning collaborative relationships between advocates of others.

A third organizational-level factor worth examination is organizational identity and value systems. Identities and values are likely to color the experience of complexity by filtering how institutional demands are conceptualized (Kodeih and Greenwood, 2014; Lok, 2010; Meyer and Hammerschmid, 2006). Growing empirical and anecdotal evidence suggests, for example, that founders can create organizational identities and cultures that mitigate the tensions between seemingly incompatible logics. Two notable examples are JC Penny and Cadbury, which have successfully navigated tensions between the logics of market and religion by cultivating an organizational identity grounded in “Christian Principles of Business” and Quaker beliefs and values, respectively (Friedland, 2012;

Thornton et al., 2012). In doing so, these organizations have cultivated a unique competitive advantage centered on harnessing synergies between demands that are, at first blush, seemingly incongruent. The implication is that field-level advocates of different logics may impose seemingly incompatible demands upon organizations, but that organizational identities and values can dampen these tensions by highlighting areas of common ground or by building consensus around a unifying mission or goal.

By drawing attention to these factors, it should be acknowledged that not all organizations within the same field experience and cope with complexity in the same manner. In other words, an organization may confront a ‘variant’ pattern of complexity as compared to its counterparts in the field. The key point, however, is that the challenges and responses that have been identified herein reflect general tendencies *within* a given configuration of complexity. A better understanding of these factors may provide an explanation for “divergent conclusions about the consequences of logic multiplicity within organizations” (Besharov and Smith, 2014: 4) – that is, why some hybrid structural arrangements are more ‘successful’ in accomplishing their goals or missions than others (c.f. Battilana and Dorado, 2010).

Implications for the study of institutional logics and complexity

By drawing attention to different field-level settlements, the framework underscores the importance of appreciating how the interaction dynamics between field constituents shapes an organization’s experience of institutional complexity. These field-level settlements not only determine the nature of institutional demands imposed upon organizations, but also influence the relative importance of particular audiences. In other words, they fundamentally shape to which demands and/or audiences an organization must direct especial attention.

As field-level settlements unravel and re-form, fields are likely to shift from one configuration of complexity to another. Longitudinal studies of such transition processes would shed new light on the dynamic and unfolding nature of complexity. If field-level jurisdictional boundaries between logics should be disturbed, for example, a field could shift from a segregated configuration of complexity to a volatile one – thereby triggering conflict and uncertainty within the field and its constituent organizations. It would be interesting to examine how a field transforms as field-level settlements are upended and renegotiated; and, the implications that such a transformation has on intra-organizational dynamics and performance.

Another line of future inquiry could examine whether patterns of complexity vary across different countries. For example, is the interaction of religion and market logics more problematic in the secular China than in Italy, Spain, or the U.S. where religion plays a more pervasive role in society? In other words, are particular combinations of logics more contentious in some countries than it is in others? If so, what are the attendant implications for organizations? To answer such questions, more cross-country comparative research is needed.

Relatedly, future studies could explore whether patterns of complexity vary by historical era (e.g. Burgin, 2012; Raynard et al., 2013; Thelen, 1999). For instance, it would be interesting to see if certain combinations of logics were more or less problematic fifty years ago than they are now. Insights from research on academic science, for example, have shown that the encroachment of the market logic into the sphere of science triggered intense conflict in the 1950s and 60s – yet, today, the combination of market and science logics is largely taken-for-granted (Berman, 2012; Powell and Owen-Smith, 1998; Sauermann and Stephan, 2013; Stuart and Ding, 2006). To better understand the historical conditions that surround particular patterns of complexity, and their organizational implications, it appears that more research is warranted.

Conclusion

As noted at the outset, institutional theorists have long appreciated that responding appropriately to institutional demands affects social approval, support, and, ultimately, survival. The framework outlined in this article is intended to advance and orient our understanding of the interrelationships between institutional complexity, organizational fields, and hybrid structures – and, in doing so, stimulate further theoretical and empirical work into these important research domains.

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Figure 1. Analytical model of the components and configurations institutional complexity.

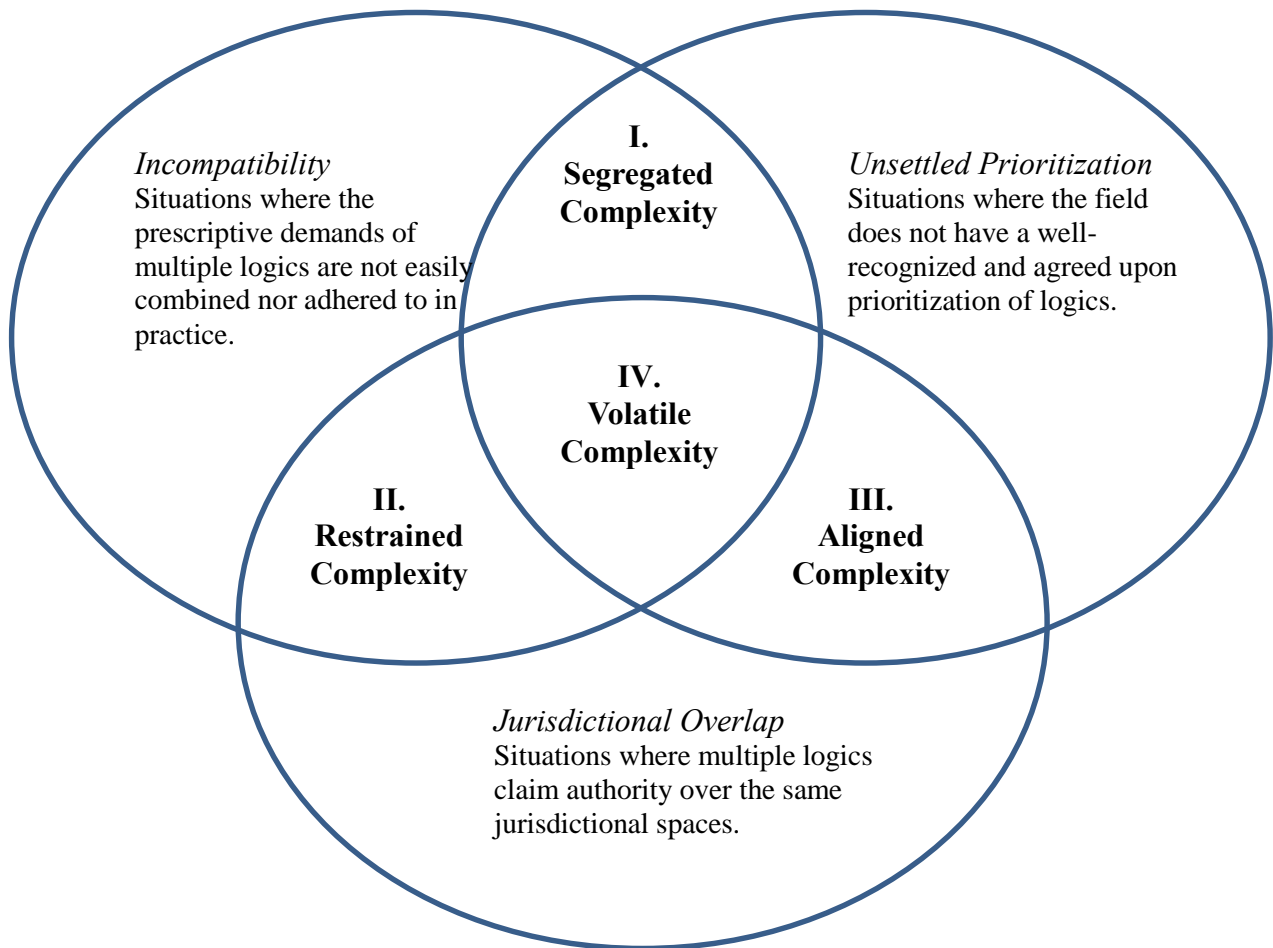


Table 1. Configurations of complexity and organizational implications.

Configuration	Description	Examples
I. Segregated Complexity	<ul style="list-style-type: none"> No overlap of jurisdictional focus Incompatibility of logics' prescriptions or proscriptions Unsettled prioritization of logics at the field level <p><i>Organizational Implications:</i> Complexity is eased by attending to the demands of only one group of institutional referents (i.e. dedicated unitary structure); or, by responding to disparate audiences through structurally-compartmentalized units.</p>	<p><i>Examples:</i> Lounsbury (2007); Greenwood, Suddaby, & Hinings (2002); Waldorff & Greenwood (2012)</p> <p><i>Examples:</i> Denis, Lamothe, & Langley (2001); Ferlie, Fitzgerald, Wood, & Hawkings (2005); Greenwood, Hinings, & Brown (1990); Greenwood & Empson (2003); Pratt & Rafaeli (1997)</p>
II. Restrained Complexity	<ul style="list-style-type: none"> Settled prioritization of logics at the field level Incompatibility of logics' prescriptions or proscriptions Jurisdictional overlap of focus <p><i>Organizational Implications:</i> Complexity may be eased by covertly resisting the field-level prioritization of logics through 'symbolic decoupling'; or, by mirroring the settled prioritization by adopting practices and structures that accommodate logics in the same hierarchical order as found in the field.</p>	<p><i>Examples:</i> Berman (2012); Greenwood, Diaz, Li, & Lorente (2010); Halpern (1999); Meyer & Hollerer (2010); Nigam & Ocasio (2010); Thornton & Ocasio (1999)</p> <p><i>Examples:</i> Bromley & Powell (2012); D'Aunno, Sutton, & Price (1991); Durand & Jourdan (2012); Fiss & Zajac (2004); Laughlin (1988); Jansen, Tempelaar, van den Bosch, & Volberda (2009); Jones, Maoret, Massa, & Svejenova (2012); Lepoutre & Valente (2012); Lounsbury (2001); Lander, Koene, & Linsen (2013); Marquis & Lounsbury (2007); Meyer & Hammerschmid (2006); Meyer & Rowan (1977); Sandholtz (2012); Townley (2002)</p>
III. Aligned Complexity	<ul style="list-style-type: none"> Compatibility of logics' prescriptions or proscriptions Unsettled prioritization of logics at the field level Jurisdictional overlap of focus <p><i>Organizational Implications:</i> Complexity may be eased by adopting 'blended' hybrid structures that not only accommodate the demands of multiple field-level audiences, but also harness potential synergies in the enactment of logic prescriptions.</p>	<p><i>Examples:</i> Ashta & Hudon (2012); Battilana & Dorado (2010); Lee & Lounsbury (2015); Tracey, Philips, & Jarvis (2011)</p> <p><i>Examples:</i> Battilana & Dorado (2010); Battilana & Lee (2014); Goodrick & Reay (2011); Greenwood, Morris, Fairclough, & Boussebaa (2010); Jay (2013); Kodeih & Greenwood (2014); Lawrence & Lorsch (1967); Moizer & Tracey (2010); Murray (2010) Pache & Santos (2013); Zilber (2002)</p>
IV. Volatile Complexity	<ul style="list-style-type: none"> Incompatibility of logics' prescriptions or proscriptions Unsettled prioritization of logics at the field level Jurisdictional overlap of focus <p><i>Organizational Implications:</i> Complexity may be eased by adopting 'organic', federated structures characterized by semi-autonomous, decentralized units/teams that flexibly invoke multiple logics in accomplishing day-to-day operations.</p>	<p><i>Examples:</i> Abbott (1986); Anteby (2010); Berman (2012); Dunn & Jones (2010); Glynn & Lounsbury (2005); Meyer, Strang, & Scott (1987); Powell & Owen-Smith (1998); Purdy & Gray (2009); Reay & Hinings (2009); Sauermann & Stephan (2013); Scott, Ruef, Mendel, & Caronna (2000); van Gestel & Hillebrand (2011)</p> <p><i>Examples:</i> Binder (2007); Delbridge & Edwards (2008); DiVito (2012); Etzkowitz & Webster (1995); Heimer (1999); Jarzabkowski, Smets, Bednarek, Burke, & Spee (2013); McPherson & Sauder (2013); Smets, M., Jarzabkowski, P., Burke, G., & Spee, P. 2015; Smets, Morris, & Greenwood (2012); Zald & Denton (1963)</p>