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**Doctoral Thesis**

## Revisiting the Phenomenon of Interests in Organizational Institutionalism: The Case of U.S. Chambers of Commerce

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Revisiting the Phenomenon of Interests in Organizational Institutionalism

PhD Series 19.2012

# Revisiting the Phenomenon of Interests in Organizational Institutionalism

The Case of U.S. Chambers of Commerce

**Brett Crawford**

Doctoral School of Organisation  
and Management Studies

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**Revisiting the Phenomenon of Interests in Organizational Institutionalism:**

**The Case of U.S. Chambers of Commerce**

Brett Crawford

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requirements of Copenhagen Business School  
for the degree of Doctor of Philosophy

Copenhagen Business School  
Department of Business and Politics



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For my father, Terry Ray Crawford, who passed during this journey.  
I hope to always find comfort in his written words.

“A common man inspired by quiet, color, and camaraderie...”

## **Abstract**

Much of the organizational institutionalism literature suggests that the phenomenon of interests is a central construct, however, portrays interests in an overly deterministic, rational, and liberal way. In this thesis, I challenge those views and suggest that interests are a complex and interdependent socially constructed phenomenon. Accordingly, interests represent an actor's recognition, perceived importance, and participation in a number of figurations and social games. Illustrated through the institution of U.S. chambers of commerce, I explore how chambers of commerce have withstood a changing American culture to become both the world's largest business federation and public-private partnership. Moreover, even as the United States represents the most liberal of liberal market economies, chambers of commerce represent a context where capitalists have set aside market competition and unified their interests to become one of the largest and most influential institutions in the world.

Following a brief introduction of interests and chambers of commerce, this thesis begins with the first paper, which is a critical review of the phenomenon of interests within the organizational institutionalism literature. Tracing the conceptual variety of both the origins and functions of interests in institutional studies, I illustrate how an overly deterministic and rational view of interests is problematic. The critical review continues with a discussion of my critiques of the extant literature followed by an introduction of a less rational and calculative approach to interests by coupling Bourdieu's (1998) conceptualization of interests with Elias's (1978) sociology emphasizing figurations and social games. The three subsequent empirical papers test

this approach to interests on macro-, meso-, and micro-levels of the institution of chambers of commerce.

The second paper empirically explores chambers of commerce as they emerged during the end of the nineteenth century and continue to function as a critical institution today. The first part of the paper details the quantitative changes, illustrating the growth of chambers of commerce as an institution. The second part of the paper explores the qualitative changes and argues that the interests, and consequently the social games that chambers of commerce play, have changed throughout three different phases. The first phase represented a social game of creation, where chambers embody the unified interests of business owners in the largest cities. The second phase represented a social game of development, where chambers represented the unified interests of business owners, state and national level chambers of commerce, and chamber professional associations. During the second phase, chambers of commerce expanded into suburban communities as these communities rapidly developed in response to significant investments in a national highway system. The third phase represented a social game of survival, where chambers developed to embody private, public, non-profit, and government organizations of all sizes and sectors, as well as the emergence of chamber affiliate organizations. During the third phase, chambers of commerce expanded into urban, suburban, and rural communities alike, while also forming regional collaborations in response to challenging external conditions.

The third paper calls into question basic concentric views of society. Instead, I stress the importance of viewing organizations through figurations and social games to better understand the roles of interests. Illustrated through a pair of case studies



exploring the Detroit Board of Commerce and the West Michigan Chamber Cluster, I introduce interests as institutional fiber. As a means to capture organizations and institutions as abstractions experienced by interdependent actors, institutional fiber represents the connective tissue linking actors with both institutional expectations and their localized contexts. Institutional fiber represents an actor's awareness, perceived significance, and participation in a number of social games and institutions that stem from the actor's interests.

Finally, the fourth paper includes an ethnographic study of the Red Lake Regional Chamber of Commerce and explores how organizational interests are reshaped as the chamber transitions from a social game of development to a social game of survival. Specifically, this ethnographic study takes a micro-level perspective to test Selznick's (1957) theory of institutional leadership. I illustrate how the interests of the organization are reshaped not by the organization itself, but instead through the work of the actors that unify together to form the chamber of commerce. The central construct that enables this to happen is the interests of the unified actors as they come together to play a social game of survival in response to difficult external conditions.

This thesis as a whole contributes to the organizational institutionalism literature by presenting a phenomenological view capturing the roles of interests as chambers of commerce enact institutional expectations in locally appropriate ways. Interests, in this light, are ongoing social constructions representing interdependent actors, as they construct abstractions of perpetually changing institutional expectations and societal conditions.

## Abstrakt

I den organisatoriske institutionalisme litteratur får fænomenet interesser ofte en central placering, men ofte beskrives interesser her på en deterministisk, rationel og liberalistisk måde. I denne afhandling udfordrer jeg denne opfattelse og foreslår, at interesser er et kompleks og gensidigt socialt konstrueret fænomen. Ud fra denne opfattelse repræsenterer interesser en aktørs sociale anerkendelse, betydning og deltagelse i et antal figurationer og sociale spil. Illustreret gennem de amerikanske handelskamre (Chambers of Commerce) som institution, udforsker jeg, hvordan handelskamrene har klaret at overleve forandringer i amerikansk kultur og formået at udvikle sig til verdens største sammenslutning af virksomheder og mængde af offentligt-private-partnerskaber. Selv om USA siges at udgøre det mest liberale af de liberale markedsøkonomier, tilbyder handelskamrene en kontekst, hvor kapitalister har tilsidesat markeds-konkurrence og forenet deres interesser i skabelsen af en af de største og mest indflydelsesrige institutioner i verden.

Efter en kort introduktion af hvad interesser og handelskamre er, begynder denne afhandling med det første paper, der er en kritisk gennemgang af, hvordan fænomenet interesser behandles indenfor den organisatoriske institutionalisme litteratur. Ved at forfølge den begrebslige variation både af oprindelserne til og funktionerne af interesser i institutions studier, illustrerer jeg, hvordan et overdrevent deterministisk og rationelt syn på interesser er problematisk. Den kritiske gennemgang af litteraturen fortsættes i en samlet kritik af den eksisterende litteratur, og introducerer derefter en mindre rationel og kalkulerende tilgang til interesser, hvor Bourdieus (1998) begrebsliggørelse af interesser kobles med Elias (1978) sociologi for at betone figurationer og sociale spil. De tre

efterfølgende empiriske papers afprøver denne tilgang til studiet af interesser i handelskamre på henholdsvis makro-, meso-, og mikro-niveau.

Det andet paper udforsker handelskamre empirisk fra de opstod i slutningen af det nittende århundrede og frem til den måde, som de fungerer som en vigtig institution i dag. Den første del af paperet fremhæver de kvantitative ændringer i og væksten af handelskamre som institution. Anden del af paperet undersøger de kvalitative ændringer og argumenterer for, at interesserne, og i konsekvens heraf de sociale spil, som handelskamrene spiller, har ændret sig igennem tre forskellige faser. Den første fase var et socialt spil om *skabelse*, hvor kamrene legemliggør de forenede interesser for de store byers arbejdsgivere. Anden fase repræsenterer et socialt spil om *udvikling*, hvor kamrene repræsenterede de samlede interesser af arbejdsgivere, del-statslige- og nationale handelskamre og professionelle foreninger for medarbejderne i kamrene. Under den anden fase spredte handelskamrene sig til byernes forstæder, der gennemgik en hastig udvikling som respons til store investeringer i et nationalt motorvejsystem. Den tredje fase repræsenterede et socialt spil om *overlevelse*, hvor kamre udviklede sig til at inkludere private, offentlige, nonprofit og statslige organisationer af alle størrelser og fra alle sektorer, samt ved fremkomsten af organisationer, der udsprang af kamrenes egen organisering. I denne fase spredte handelskamrene sig samtidigt i bymæssige, forstads- og landlige samfund, og skabte regionale former for samarbejde i respons til udefra kommende trusler og udfordringer.

Det tredje paper stiller sig tvivlende over for et grundlæggende koncentrisk syn på samfundet. I stedet fremhæver jeg vigtigheden af at se organisationer som figurationer og sociale spil for at forstå interesserens rolle. Illustreret gennem et par case-studier, som

udforsker Detroit Board of Commerce og West Michigan Chamber Cluster, introducerer jeg interesser som institutionelle fibre. Som en måde at forstå organisationer og institutioner som abstraktioner, der erfares af gensidigt afhængige aktører, repræsenterer institutionsfibre bindevævet, der sammenkæder aktørerne både med institutionelle forventninger og deres lokale kontekster. Institutionel fiber repræsenterer en aktørs opmærksomhed, forståelse af betydning og deltagelse i et antal sociale spil og institutioner, der samstemmer med aktørens interesser.

Slutteligt udgør det fjerde paper et etnografisk studie af Red Lake Regional Chamber of Commerce og udforsker, hvordan organisatoriske interesser bliver omdannet i takt med at handelskamret går fra at være et socialt spil om udvikling til et spil om overlevelse. Dette etnografiske mikro-studie afprøver mere specifikt også Selznicks (1957) teori om institutionelt lederskab. Jeg illustrerer, hvordan organisationens interesser omdannes ikke af selve organisationen, men i stedet for gennem det arbejde der gøres af aktørerne, der forenes i formningen af handelskamret. Den centrale mekanisme, der gør det muligt at dette kan ske, er de forenede aktørers interesse, som opstår ved at de kommer sammen i et socialt spil om overlevelse som respons til alvorlige eksterne betingelser.

I sin helhed bidrager afhandlingen til den organisatoriske institutionalisme litteratur ved at præsentere et fænomenologisk syn, der opfanger den rolle interesser spiller, når handelskamre iscenesætter institutionelle forventninger på lokalt passende måder. Interesser, i dette lys, er løbende sociale konstruktioner, som repræsenterer gensidigt afhængige aktører, når de danner abstraktioner af bestandigt forandrende institutionelle forventninger og samfundsmæssige betingelser.

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I entered this Ph.D. project with a naïve curiosity to make a significant and original contribution to knowledge. I describe my curiosity as “naïve” because this has been, without a doubt, the most challenging and personally rewarding experience of my life. I would, however, have not been able to complete this thesis without the unconditional support of many people. For that, I am eternally grateful.

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## **Preface**

It is worth noting that this project underwent a number of significant changes along the way. In fact, the only philosophical underpinning that remains is the phenomenon of interests. In the earliest stages of this thesis, as was captured in my original proposal, I was interested in exploring the generation of interests in self-managed project-based teams within the pharmaceutical industry. I had planned to compare these ideas between a number of American and Danish pharmaceutical companies. This seemed like an interesting project because of recent changes in the “new capitalism” and I set out to explore these ideas within the tradition of symbolic interactionism. As I began working on the project I quickly discovered that I was more interested in the historical development of organizations. I believe this project maturation is par for the course in any research.

During a pair of qualitative research courses I was taking during my first year of studies, I was expected to apply the course curriculum to collect data and develop a conference paper. I chose to explore the context of a local chamber of commerce, in all honesty, because gaining approval from the IRB to explore teams within the pharmaceutical field, within the semester’s timeline, proved to be a challenging task. Once I began to collect ethnographic data within the local chamber of commerce, I struggled with seeing how the principles of symbolic interactionism could explain the activities that I was observing. It was at this point that I like to suggest that I felt called to the cult of institutional theory.

I began reading throughout the organizational institutionalism perspective and the small body of literature that addresses chambers of commerce. There was a clear gap in

both literatures as the organizational institutionalism literature seemed to value the phenomenon of interests, but did so in diverse and confusing ways. Moreover, the literature that addressed chambers of commerce was underdeveloped and lacked any empirical studies what so ever. The only tangible conclusion that I could find on chambers of commerce was that interests played a central role in their emergence. These discoveries provided the thesis with a purpose as I sought to revisit the phenomenon of interests within the organizational institutionalism perspective through the context of chambers of commerce.

## **1. Introduction**

“...the purpose of all that happens is... to win bliss for the life of the whole; it is not made for you, but you for it.” – Plato, *Republic*

### **1.1. Theoretical Significance of Interests**

A common tenet of the social sciences – sociology, political science, economics, and the like – is that the phenomenon of interests is central to actorhood. Indeed, interests are frequently thought to motivate the actions of actors. This is likely the case due to the philosophical underpinnings of the social sciences dating back to the classical philosophical era through self love (Rogers, 1997), and continuing through today as the conceptualization of interests has helped shape behavioral structures as actors view themselves as being embedded within society (Hirschman, 1977).

Many of the most influential classical scholars throughout the social sciences have attempted to understand the phenomenon of interests. Marx, for example, was a pioneer in the development of interests into a social phenomenon. Illustrated by *Debates on the Law on Thefts of Wood* (1842), Marx viewed interests as grounded throughout sociological, political, and economic debates. Interests were a socially determined phenomenon influenced by social conditions, as Marx introduced the concept of “class interests.” Class interests represented objective differences throughout capitalist modes of production – indeed, leading to divisions between labor wages and entrepreneurial profits. Members of a class are not only isolated individuals (‘class-in-itself’), but represent a distinct class (‘class-for-itself’) that is in a position to act with “superior force” (Swedberg, 2005: 42). The pursuit of one class’s interests meant the reduction of another’s.

Today, interests and actorhood are systemically discussed through liberal models that view individual actors as “godlike” in their pursuits of interests (Meyer & Jepperson, 2000). Considering the centrality of interests throughout the social sciences, conventional wisdom would suggest that the social sciences should have relative clarity regarding the phenomenon. On the contrary, the social sciences lack an accepted conceptualization or definition of the phenomenon of interests (Swedberg, 2005a, Swedberg, 2005b). This is likely the case because interests are oftentimes taken in a number of diverse directions and represent “a new paradigm” where many problems and analyses find their place (Hirschman, 1977: 42).

This is no different in the sociology of organizations as interests play a central role in organization studies (DiMaggio, 1988). Specific to organizational institutionalism, the phenomenon of interests plays an equally central role<sup>1</sup>. However, widespread suggestions of institutional determinism (DiMaggio & Powell, 1983; Friedland & Alford, 1991) call into question the phenomenological perspective of institutions as Meyer and Rowan (1977) introduced in their seminal work, *Institutionalized Organizations: Formal Structure as Myth and Ceremony*. Consequently, institutional perspectives are equally guilty of depicting overly liberal conceptualizations of interests. Institutional entrepreneurship (DiMaggio, 1998), as example, portrays actors as being interest driven and calculative and is one perspective where modern actorhood includes the godlike capabilities of changing institutions. Consequently, as the study of institutions has matured to embody interests (Scott, 2008),

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<sup>1</sup> The centrality of interests throughout the organizational institutionalism perspective is apparent in The Sage Handbook of Organizational Institutionalism (Greenwood et al., 2008). While interests remain central, it is rare, both throughout the literature in the handbook, that interests are explicitly discussed. Interests remain, however, a common and underappreciated phenomenon throughout the study of organizations and institutions.

myriad of viewpoints exist, all of which fall short of conceptualizing what an interest is or what it means to have an interest.

The lack of clarity regarding the phenomenon of interests begs the question, what do we know about interests? We know from the literature that interests play a central role in institutional studies (Hinings & Greenwood, 2002; Suddaby & Greenwood, 2005; Battilana et al., 2009) and that interests are either institutionally determined (DiMaggio & Powell, 1983, Scott, 1987, Friedland & Alford, 1991, Powell & Colyvas, 2008) or socially constructed (Hoffman, 1999; Suddaby & Greenwood, 2005). Beyond that, the conceptual vagueness and variety of the phenomenon of interests is striking. On a theoretical level, this thesis, therefore, explores the phenomenon of interests within the perspective of organizational institutionalism. Theoretically, this is significant because of the disjuncture between the suggested centrality of interests within institutions and the lack of explicit empirical and conceptual explorations of interests. More specifically, considering the significance of interests and lack of knowledge surrounding the phenomenon, I aimed to better understand interests as they relate to organizations, and their engagement with institutions.

## **1.2. Contextual Significance of Chambers of Commerce**

Chambers of commerce emerged in the United States during the late 1800s and early 1900s. Chambers of commerce are membership driven “associations of business men (or women) for the purpose of furthering their interests (Friedman, 1947...)” (Brown, 1997; Costain & Costain, 1981; Johnston & Mahra, 2002; Ray & Mickelson, 1990; Ridings, 2001). Chambers of commerce emerged to pursue local commercial and

member interests (Johnston & Mahra, 2002), while working to develop and protect important regional industries (McCullough, 1928).

Chambers of commerce have withstood and survived the changing American culture throughout the last 150 years, however, have remained underappreciated and today, continue to receive very little pedagogical attention. Illustrated by the limited literature that discusses chambers of commerce, including erratic dates of publication and a discussion that lacks any empirical analysis, there is a noteworthy need to better understand chambers of commerce, both as they have developed throughout American history and as they function today. Case in point, the U.S. Chamber of Commerce, which accredits local and state-level chambers of commerce, represents the largest business federation in the world, including over three million organizations (U.S. Chamber, 2011). And as the membership of chambers of commerce have changed to include private and public organizations of all sizes spanning across industries, chambers of commerce also represent the largest public-private partnership in the world.

Furthermore, while chambers of commerce are defined to pursue the interests of business owners, in reality, pursue a number of interests outside the interests that are typically discussed in the literature, which stop at economic utility and legislative control (Brown, 1922; Werking, 1978; Johnston & Mahra, 2002). For example, the Grand Rapids Area Chamber of Commerce 2010 membership survey results<sup>2</sup> captured prioritized issues relating to environmental sustainability, health care, and public school education reform, in addition to the state's economic climate. These survey results represent a disjuncture between the interests of chambers of commerce as suggested by

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<sup>2</sup> The Grand Rapids Area Chamber of Commerce 2010 membership survey results are illustrated in Appendix 1.



the literature and the interests of chambers of commerce as they function as a part of society today.

Prevalent throughout the normal discussions on varieties of capitalism (Hall & Soskice, 2001), the United States emerges as the most liberal of liberal market economies. However, within the context of chambers of commerce, it seems that capitalists, who are supposed to be coordinated solely through market competition, organize through one of the largest and most influential institutions in the world. Illustrated through the survey results in Appendix 1, chambers of commerce represent an institution where collaborative efforts focus the actions of member organizations towards other spheres and purposes throughout society. As a result, chambers of commerce represent an institution within a highly liberal market economy where the complexities of interest constructions can be studied.

In short, chambers of commerce remain understudied, and thus their role within society remains poorly understood. On a contextual level, this thesis, therefore, explores the institution of U.S. chambers of commerce. Chambers of commerce are significant because they represent the largest business federation and public-private partnership in the world and an institution that has successfully traversed the changing American society since the late 1800s. Yet, today, we know very little about chambers of commerce beyond their early characterization, which is largely due to the dearth of empirical studies exploring chambers of commerce.

### **1.3. Brief Outline of Thesis**

I begin by critically reviewing the organizational institutionalism literature as it pertains to the phenomenon of interests. More specifically, I focus on how the extant

literature discusses both the origins and functions of interests. I continue by presenting an enhanced approach viewing interests as socially constructed, which I apply throughout the three subsequent empirical papers. In the first empirical paper, I take a macro-level approach to illustrate the institution of U.S. chambers of commerce beginning in the late 1800s and continuing through today. In the second empirical paper, I take a meso-level approach to critically call into question concentric views of society and instead propose a novel way to view the roles of interests as they pertain to institutional studies. And finally, in the third empirical paper, I take a micro-level ethnographic approach to illustrate the roles of interests and institutional leaders in reshaping the values and interests of a local chamber of commerce. I then conclude by discussing the contributions made to both better understanding the phenomenon of interests within the organizational institutionalism perspective and chambers of commerce as a central institution within the American society.

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**APPENDIX 1**  
**GRACC 2010 Survey Results and Legislative Priorities**

Category	Response: Important	Response: Very Important
<i>General Categories</i>		
Michigan's current economic climate	25.20%	71.40%
Health Care	31.90%	58.70%
Business tax structure	31.50%	48.50%
Energy Costs	45.00%	23.90%
<i>Environmental Issues</i>		
Sustainable business practices	34.70%	43.40%
Support for alternative energy	32.70%	34.30%
<i>Health Care Priorities</i>		
Health care insurance	18.80%	61.80%
<i>Public School Education Reform</i>		
Adequate funding for public schools	29.40%	52.70%
Teacher tenure reform	21.50%	58.60%
Consolidation of school administrative functions	26.80%	51.80%

*West Michigan Chamber Coalition Advocacy Priorities 2010-2011, West Michigan Policy Forum 2010 Agenda*

- \* Modify state rules and regulations to encourage the sharing of services and consolidation of public schools
- \* Support competitive bidding for public school employee's health care insurance premiums
- \* Support efforts to encourage or increase recycling opportunities in Michigan
- \* Advocate for reliable and affordable energy, and support alternative energy, energy efficiency, energy conservation and clean energy technologies
- \* Support a repeal of the Michigan Business Tax (MBT) surcharge
- \* Support the creation of a business tax structure that is competitive and broad based

**The Phenomenon of Interests in Organizational Institutionalism: A Critical Review**

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Thesis Paper One

## **The Phenomenon of Interests in Organizational Institutionalism: A Critical Review**

### **2.1. Abstract**

The institutional perspective largely portrays interests as a key construct in institutions. In this critical review of interests in the organizational institutionalism literature, I question what is actually known about the phenomenon of interests. Specifically, I review both the overly deterministic origins and rational functions of interests in institutional perspectives. I conclude by proposing a fresh perspective of interests – indeed, one that views actorhood as less rational and calculative. Instead, this fresh perspective suggests how interests link a variety of interdependent actors within institutional fields.



## **The Phenomenon of Interests in Organizational Institutionalism: A Critical Review**

### **2.2. Introduction**

What is an interest? What does it mean to have an interest? What roles do organizational interests play in institutions? Interests should play a central role in institutional studies (Hinings & Greenwood, 2002). Indeed, institutions develop and operate as a result of interests (Gouldner, 1954) and can “only become enacted and active” by “someone who finds an interest in it and feels sufficiently at home to take it on” (Bourdieu, 1981: 309).

Institutional theorists, however, have long made ad hoc assertions regarding interests, as studies are oftentimes “laden with ‘metaphysical pathos’” (DiMaggio, 1988: 3) by implying individual actor and collective interests. The literature largely assumes that the roles of organizational interests are common knowledge, and as a result, has depicted interests in diverse and thus, confusing ways. As a result, institutional theory lacks an explicit perspective of the phenomenon of interests (Zucker, 1988: 27). Yet institutional theorists are not alone in struggling to understand the phenomenon of interests. Even the Oxford English Dictionary acknowledges, “there is much that is obscure in the history of this word” (OED, 1989: 1099).

Hence the question, what does the organizational institutionalism perspective know about interests? Institutional theorists generally agree on a pair of issues in relation to interests. First, interests are important in institutional studies (Scott, 1987; Meyer & Jepperson, 2000; Dobbin, 2001; Hinings & Greenwood, 2002; Suddaby & Greenwood, 2005; Greenwood et al., 2008). Second, interests are either institutionally determined or socially constructed (Zucker, 1977; DiMaggio & Powell, 1983; Friedland & Alford,

1991; Jepperson & Meyer, 1991; Scott & Meyer, 1994; Scott, 1995; Meyer & Jepperson, 2000; Dobbin, 2001; Seo & Creed, 2002; Suddaby & Greenwood, 2005). Beyond that, the conceptual variety and vagueness of the phenomenon of interests is striking.

Other theories of organization, broadly speaking, are based on assumptions about actors' abilities of intentionality in pursuing their interests (Battilana et al., 2009). Recent contributions to organizational institutionalism have embraced intentionality and rationality of agency and interests to explore institutional phenomena. Institutional entrepreneurship (DiMaggio, 1988; Battilana et al., 2009), institutional work (Lawrence et al., 2009), inhabited institutionalism (Hallett & Ventresca, 2006), and Scandinavian institutionalism (Boxenbaum & Strandgaard, 2009) all represent perspectives working to understand interests and agency in relation to institutions.

Yet these perspectives seem to be perpetually flawed by structure versus agency debates (Seo & Creed, 2002). Telling, again to the confusion of the roles of interests in institutions, Battilana & D'Aunno (2009) acknowledged that institutionalists that explore interests are often critiqued as reductionists. While institutional logics and structures are "never frozen" (Greenwood & Suddaby, 2006), continued uncertainty about interests calls into question the possibility of macro-level changes (Hirsch & Lounsbury, 1997), adding to the widespread confusion.

These perspectives, as they embrace intentionality and rationality, frequently portray the "overly chauvinistic and rational theories of organizational behavior" (Galakiewicz, 1991: 293) and purposive action (Kraatz, 2009) that the institutional perspective once attempted to escape from. As a result, much of the literature today implicitly makes assumptions about interests through an overly rational conceptualization

(Dobbin et al., 1994), “built around the mantra ‘show me the money’” and through “the lens of the ‘dismal’ science of economics” (Dobbin, 2001). While the American society stresses the importance of individualism (Meyer, 1994), some societies fail to even conceptualize rational self-interests (Friedland & Alford, 1991), the very foundation that shapes many of today’s institutional discussions. As a result, institutional theory, today, flirts on a regular basis with homo-economicus and rational choice models.

If we wish to better understand both institutions as dynamic social structures and the organizations embedded within those institutions, we must pay attention to the phenomenon of interests and the roles that interests play in institutional life. Indeed, the organizational institutionalism literature is built around modern societies that are filled with norms and formalized structures (Meyer & Rowan, 1977). However, continuing to separate institutions from interests and treating one or the other as “explanatory catchalls” (Jepperson & Meyer, 1991: 229) is problematic. Echoing Dobbin (2001), some of the most important remaining questions concern the origins of institutionalized interests and how interests shape the behavior of organizations.

As a first step toward a richer understanding of the phenomenon of interests in organizational institutionalism, I completed a critical review of both the conceptual and empirical research that has explored interests within the organizational institutionalism perspective. I begin by discussing the recurrent themes of the phenomenon of interests in the literature, including a review of the extant work that has made significant contributions to the discussion of interests. I conclude by presenting an alternative approach to exploring the phenomenon of interests in future institutional studies.

### 2.3. RECURRENT THEMES

The review revealed two categories of recurrent themes addressing interests in the organizational institutionalism literature. These two categories included the origin of interests and the function of interests. Interestingly, however, almost all of the literature addresses interests in an implicit way – not necessarily identifying the phenomenon of interests as an analytical variable. The lack of explicit exploration and theorizing of interests is unique in sociological and organizational theories, which are at times critiqued for exploring interests as a tautology (Swedberg, 2005).

The very origin of the concept of interests, as Hirschman (1977) argues, has helped shape the behavioral structures of how people view themselves in society. Interests emerged as a substitute for the destructiveness of passionate actions during the seventeenth and eighteenth centuries, transforming actions driven by passions into rational and calculative self-interest (Hirschman, 1977; Dobbin, 2001). In short, the emergence of interests as a substitute for passions led to today's "rationalist social-scientific paradigm" (Dobbin, 2001) and liberal model of agency (Meyer & Jepperson, 2000). Actors began to construct conscious and justified rationales for their actions in relation to their interests. However, this made possible the connections between the micro and macro levels in social theory (Coleman, 1986). Interests "should be seen as attempts to define and enforce contingent forms of social order on the part of actors themselves" (Callon, 1982: 615).

Modern actors – individuals, organizations, and politics – represent ongoing historical and cultural constructions where the modern actor is viewed as an "authorized agent" for a variety of interests (Meyer & Jepperson, 2000) accounting for variations of

behavior (Coleman, 1986). This ongoing cultural construction legitimates actors with recognized interests – indeed morphing them into empowered actors with “more godlike authority and vision” (Meyer & Jepperson, 2000: 105). In this light, actors and their interests represent ongoing social constructions as actors phenomenologically experience their environments. Moreover, modern actors are complexly structured as their interests increase through ongoing constructions (Meyer & Jepperson, 2000).

Ongoing constructions suggest that interests are malleable, both in which interests are represented and how these interests are pursued. Constructions of legitimated interests continually evolve and, as a consequence, so do the meanings of modern actors, including what their motives and purposes are supposed to be (Meyer & Jepperson, 2000). These cultural constructions represent interdependencies between actors and interests, which are both ubiquitous (Callon, 1982). All actors construct “interest maps” in ongoing and evolving ways, and these maps represent reductionist views of the complexities of actorhood (Callon, 1982: 617). These reductionist views are illustrated by “viewing actors in one type of setting, called firms, pursue profits; that actors in another setting, called agencies, seek larger budgets; that actors in a third setting, called political parties, seek votes; and that actors in an even stranger setting, research universities, pursue publications” (Scott, 1987: 508). Scott’s view of interests, in this case, is reduced to singular and essentialist organizational interests that are institutionally determined.

Interests are also malleable in how they are pursued by legitimated actors. For example, modern actors oftentimes switch from actions for oneself to collective action, or what Meyer and Jepperson (2000: 107) refer to as “from actorhood to otherhood.”

Coleman (1986), similarly to Elias (1978) addresses collective action through the interdependencies and configurations of interdependent actors. Interdependencies and configurations engage actors with interests through social exchanges. Callon (1982) refers to this phenomenon as the enrollment of other actors because of interests, as interests are used to play “social games” (Bourdieu 1971, 1984; Elias, 1978).

Social games are useful for exploring actors and their interests as they exist within social environments or “the ongoing relocation of authority into society” (Meyer & Jepperson, 2000: 101). It is a mistake to view actors and their interests as the social system itself, without considering the broader social environment (Coleman, 1986). Actors are guided by their interests, but under the constraints of the social environment. For example, interests are discursively constructed through the “funnel of interests” (Whittle, 2010). In this light, interests are socially contested through organizational change and the use of “translators” to re-shape the interests of actors. Another example of contested interests includes actors’ use of institutional vocabularies with broader cultural accounts (Suddaby & Greenwood, 2005). Accordingly, interests are viewed as underpinnings to institutional meaning systems, where actors socially construct interests as actors participate in institutional contexts. However, these actors consciously construct and purposively act upon their interests.

The more liberal and modern models of agency legitimate actors as calculative, rational, and contentless entities within their environments (Meyer & Jepperson, 2000). The organizational institutionalism literature, oftentimes, deals with the phenomenon of interests – specifically their origin and function – in a variety of ways. Consequently, the review includes a broad sample of conceptual and empirical studies within the umbrella

of organizational institutionalism. It is telling, however, even as some argue that institutional theory has matured to embody interests (Scott, 2008), that the extant literature does not include a concrete definition of the phenomenon of interests, nor does it explicitly identify what it means to have an interest.

### **2.3.1. Origins of Interests**

A key issue and directive of institutional theory attempts to address whether organizational views of the world evolve from interests or vice versa (Fligstein, 2001). Broadly speaking, the extant literature takes a number of views on this topic, and thus depicts the origin of interests from a variety of perspectives. These variations range from views of constructivism to contestation to essentialism, and assert that interests emerge from mechanisms including discourses, institutional logics, and structural positions. Moreover, a number of scholars depict interests through constructivist arguments during processes of institutionalization. Once interests become legitimated within specific fields, however, organizational interests are largely presumed to be institutionally determined. Figure 1 illustrates the variety of perspectives, which are discussed throughout the subsequent discussion of origins. Figure 1 was developed to illustrate that when comparing a number of studies that make significant contributions to the interests literature, they approach the origins of interests through diverse perspectives.

#### *2.3.1.1. Legitimizing Interests*

The dominant stance is that interests are socially constructed within institutional fields. Within the old institutionalism tradition, norms, values, and interests became institutionalized on the intra-organizational level (Selznick, 1996; Greenwood & Hinings, 2006). Consequently, interests were viewed as originating from an organization's

leadership as the leaderships made conscious “character defining commitments” to develop the organization’s identity – indeed, positioning the organization’s leadership as the “agent of institutionalization” (Selznick, 1957: 27). Stemming from Selznick’s normative perspective of institutional leadership, interests originated as long-term commitments by both the organization’s leadership and, consequently, the organization as an actor itself. The legitimated interests reflected the organization’s integrity. Scott (1987) later commended Selznick for viewing institutionalization as infusing value through organizational interests, but critiqued him for stopping at the identification of interests and not accounting for the processes of how this infusion occurs.

**FIGURE 1**  
**Origins of Interests in Organizational Institutionalism**

	Interests are Essentialist	Interests are Contested	Interests are Constructivist
Discursively Produced	Maguire, et al., 2004 Munir & Phillips, 2005 Maguire & Hardy, 2006	Hoffman, 1999 Suddaby & Greenwood, 2005 Wijen & Ansari, 2007	Colomy, 1988 Dorado, 2005 Zilber, 2009
Institutional Logics	Friedland & Alford, 1991 Lounsbury, 2008	Creed, Scully & Austin, 2002 Seo & Creed, 2002 Creed, DeJordy & Lok, 2010	Berger & Luckmann, 1967 Zucker, 1977 Greenwood & Hinings, 2005
Structural Position	Scott, 1987 Oliver, 1990; 1991 Marquis & Lounsbury, 2007	Gouldner, 1954 Wade-Benzoni et al., 2002 Khan, Munir & Willmott, 2007	Selznick, 1957 DiMaggio & Powell, 1983 Fligstein, 1991 Meyer & Jepperson, 2000

The neo-institutional tradition takes a slightly different constructivist view, where interests originate from the work of powerful actors within the institutional field



(Fligstein, 1991). Institutions arise from the efforts of powerful actors with sufficient resources, thus reflecting the interests of those actors (DiMaggio, 1988). For example, DiMaggio and Powell (1983) identified the nation-state and the professions as shaping legitimated interests – naming them the “great rationalizers.” Similarly, Jepperson and Meyer (1991; see also Jepperson, 1991) suggested that “polities are the primary loci of institutionalization, rather than organizations themselves.” Polities construct institutionalized meaning systems (Meyer & Jepperson, 2000; also referred to as ‘knowledge systems’ [Scott, 1995]), and thus, legitimated interests originate from these processes.

Other studies have illustrated how powerful actors influence the structure of institutionalized meaning systems and promulgate the interests of collective actors – state agencies, legal entities, and professional associations as example – with the power to intentionally formulate and influence regulations (Scott & Meyer, 1994). Mezas (1995) provided an example of the intentionality of legitimated interests through the Securities and Exchange Commission (SEC). Stemming from an institutional environment emphasizing regulation, the SEC as a designated standard setting agency, has the ability to impose legitimated interests through financial reporting systems. Dobbin (1988) provided another example through his discussion of due process structures and the diffusion processes of legitimated interests originating from modern states. Due process structures illustrated how legitimated interests emerged as control strategies to both protect workers and suppress conflict between workers and management.

Consequently, the interests of powerful actors become legitimated before isomorphic pressures emerge (Seo & Creed, 2002). Institutions, therefore, reflect the

interests of powerful actors and shape the means by which interests are pursued. Similarly to Marxist (1842) views on “class interests,” institutional arrangements are unlikely to satisfy the alternative interests of less powerful actors. Institutions, in this sense, create collective actors, provide rules and structures, and resolve dilemmas of potential conflicts of interest (Zucker, 1988). Relative to the old-institutionalism literature, interests originate from the work of the organization’s leadership. Within the neo-institutionalism literature, these powerful actors are determined by their structural position within the field. Consequently, both traditions provide a framework that determines which actors have and are empowered to pursue their interests (Scott & Christensen, 1995).

#### *2.3.1.2. Embodying Legitimated Interests*

Once interests become legitimated through processes of institutionalization, the question becomes, how do the interests of organizations and individual actors originate? It is widely suggested that organizations and individual actors are motivated to comply with legitimated interests because otherwise, their actions cannot be understood (Berger & Luckmann, 1967; Scott, 1995). In short, organizations and individual actors become functionaries of institutionalized meaning systems (DiMaggio & Powell, 1983; Zucker, 1988; Scott, 2001; Lounsbury, 2008) as their legitimated interests relate to broader societal norms (Parsons, 1960). Interests are socially constructed during processes of institutionalization, however, become institutionally determined as interests emerge on an organization and individual actor levels. Thus, the literature asserts that organizations and individual actors must embody allowable interests to be perceived as institutionally

legitimate. The mechanisms used to detail the origins of interests, however, vary and include institutional logics, discourses, and structural positions.

The mechanism of institutional logics often leverages explanations that embrace a strong sense of institutional determinism and essentialism. Viewpoints of institutional logics embrace how actors transmit what interests are socially constructed as institutionally acceptable, and therefore, become taken-for-granted realities (Zucker, 1977; Meyer & Hammerschmid, 2006; Marquis & Lounsbury, 2007). Consequently, each institution represents a central interest that is legitimated and provides actors with vocabularies of motive. Case in point, capitalist markets, bureaucratic states, democracy, the nuclear family, and Christianity reflect the legitimated interests of powerful actors within these respected fields (Friedland & Alford, 1991). Moreover, actors pursue these central interests in taken-for-granted ways. For example, firms will pursue profits and political parties will pursue votes because their interests are determined by the institutional context that the organization identifies with (Scott, 1987). This view of interests embodies a strong sense of institutional determinism because as organizations are categorized by type, the interests of the organization is presumed to have singular, institutionally determined, and homogeneous interests as other organizations within the same categorization.

Nevertheless, not all scholars have suggested that the institution is solely responsible for determining organizational interests. In fact, Fligstein (1991) critically argued that the roles of norms have been overestimated and institutional “environments are murky.” Suggesting that interests originate from various structural positions, powerful actors mobilize as change agents in turbulent organizational fields. Views that

suggest interests are universal have been strongly critiqued for not being able to address institutional variations (DiMaggio, 1988) or change (Greenwood & Hinings, 1996). However, organizational interests that differ from legitimated interests lead to a discussion between struggles of structure and agency and the “paradox of embedded agency” (Seo & Creed, 2002).

For example, bureaucracy emerged through the balance of power (Gouldner, 1954) and presents an institution where interests are contested as a result of structural positions. As discussed in Hallett and Ventresca’s (2006) re-reading of Gouldner’s *Patterns* (1954), institutional forms emerge from context, meaning systems, local activity, conflict and power struggles, and interactions. Bureaucracy represents an institutional form that does not exclusively represent the interests of powerful actors, in this case, the interests of management, but instead embodies struggles of legitimating interests and disinterests. Khan and colleagues (2007) referred to this embodiment of disinterests as a “velvet curtain.”

The paradox also begs the question of how can actors have divergent interests within institutionally controlled environments. One explanation suggests that institutional conformity or resistance to institutional structures stem from an organization’s interests as they relate to the institutional environment (Oliver, 1991). For example, organizations have memberships in professional associations for various reasons – sometimes to gain economic advantages and other times to cultivate relationships. It is the organization’s interests that determine the motives for membership (Oliver, 1990). Oliver suggests that institutions do not determine organizational interests.

Instead, interests originate through conscious and rational pursuits of organizational utility, similar to the essentialist perspective of homo-economicus.

An alternative perspective suggests that interests originate from discourse (Suddaby & Greenwood, 2005) and a complex process of storytelling (Zilber, 2009). Powerful actors, including government, businesses, and NGOs with strong incentives, leverage discourses as tools to embed specific interests during institutional building processes (Maguire & Hardy, 2006) because interests represent the underlying meaning systems within institutions (Suddaby & Greenwood, 2005). For example, inclusions of new and legacy discourses generate new institutional possibilities by legitimating new interests (Colomy, 1998; Maguire & Hardy, 2006). Dorado (2005) added that institutional change projects adopt multiple profiles encompassing imaginative trajectories. Consequently, legitimated interests originate from “institutional opportunities.” Oftentimes, these institutional opportunities exist in emerging fields that are “murky” (Fligstein, 1991) and “turbulent” (Hoffman, 1999; Hoffman & Ocasio, 2001).

Finally, interests have been viewed to originate as enactments of environmental structures. More specifically, interests emerge as a balance between institutional expectations and locally appropriate applications of those expectations (Owen-Smith, 2011). Christensen and Molin (1995), using the Red Cross as example, suggest that legitimated interests represent a “dramatization of the environment.” Through their study of mass schooling and elite education, Kamen and Lunde (1988) found that legitimated interests vary based on contexts. While the processes of social construction were similar, the interests legitimated into moral categories, educational constructs, and legitimacy

mechanisms were different. In this sense, legitimated interests seem to emerge through phenomenological constructions. In other words, the construction of interests occurs through actions as organizations engage with contextual and environmental structures, however, interests only become articulated ex-post of these actions. Consequently, legitimated interests are not consciously recognized until organizations engage with contextual and environmental structures, creating “vocabularies of motive” (Mills, 1940) through retrospective reconstructions of interests (Weick, 1995).

### **2.3.2. Function of Interests**

The second recurrent theme that emerged from the literature addressed the function of interests. This is largely the case as interests have been used to explain the actions and behaviors of various actors. As Lawrence and colleagues (2009) outlined, the functionality of interests is categorically diverse in institutional studies. For example, the institutional leadership and neo-institutional traditions view legitimated interests as a control mechanism for action. Within institutional leadership, interests align the organization’s commitments to daily work activities (Selznick, 1957). The neo-institutional tradition largely asserts that interests function as meaning systems, where actors isomorphically enact legitimated interests to be perceived as legitimate (Friedland & Alford, 1991; DiMaggio & Powell, 1983).

The inhabited institutional and Scandinavian institutional traditions take an alternative approach. Instead, interests bring legitimated actors together to form institutional relationships (Borum & Westenholz, 2005; Boxenbaum & Strandgaard, 2009) and function at motivates for ongoing action (Hallett & Ventresca, 2006). Relationships and interactions become a central construct of interests.

Finally, the institutional entrepreneurship and institutional work traditions assert that interests function as a motive for institutional change. Within institutional entrepreneurship, interests function as the motive for powerful agents to enact institutional change (Munir & Phillips, 2005; Zietsma & McKnight, 2009). The institutional work grounds the functionality of interests deeper in the traditions of institutional contexts, largely in response to structure versus agency debates. Accordingly, within the institutional work literature, interests function as the motive for change within an always-changing institutional context. Table 1 details the different viewpoints of interests throughout the traditions of the organizational institutionalism perspective.

Deeper stories of the function of interests are seemingly embedded within various philosophical perspectives. Objectivists, essentialists, and structuralists see the functionality of interests as stemming from predefined and subconscious social structures. Under this construction, interests are rational, however, calculative actors cannot exist because actors are paradoxically controlled by institutional determinism. Conversely, subjectivists, constructivists, and phenomenologists maintain that social environments are an ongoing construction where actors influence institutional life in interested and strategic ways. As a result, three sub-categories emerged as pertinent to the function of interests, including institutional enactment, institutional relationships, and institutional change.

**TABLE 1**

<b>Institutional Perspectives of Interests</b>			
<b>Perspective</b>	<b>Origin of Interests</b>	<b>Function of Interests</b>	<b>Critical Sources</b>
Neo-Institutionalism	Legitimated interests are determined by powerful actors	Actors isomorphically enact legitimated interests	Powell & DiMaggio, 1983; Friedland & Alford, 1991
Institutional Leadership	Institutionalized interests are determined by the organization's leadership	Interests align organizational commitments with actions of daily work	Selznick, 1957
Institutional Entrepreneurship	Agency emerges out of unfulfilled interests in relation to institutional environments	Interests function as the motive for institutional change projects	Munir & Phillips, 2005; Zietsma & McKnight, 2009
Institutional Work	Variations in socially constructed interests emerge from institutional plurality.	Interests function as motives for action within an always changing institutional context	Lawrence, Suddaby & Leca, 2009
Inhabited Institutionalism	Interests originate as meaning systems through institutional interactions	Interests and meaning systems function as motives for ongoing action	Hallett & Ventresca, 2006
Scandinavian Institutionalism	Interests originate out of reciprocal relationships between actors and their identity	Interests function as a mechanism for institutional relationships	Borum & Westenholz, 2005; Boxenbaum & Strandgaard, 2009

*2.3.2.1. Institutional Enactment*

Institutions are enacted by actors who have an interest in the institution (Bourdieu, 1981). Once legitimated interests emerge through processes of institutionalization, these interests govern the behavior of organizations through rules and routines detailing how organizations are normatively supposed to (March & Olsen, 1989; Scott & Christensen, 1995) or cognitively allowed to (Galakiewicz, 1991) act. Consequently, under much of the neo-institutional tradition, the function of interests is to shape the actions of legitimated actors (DiMaggio & Powell, 1983; Friedland & Alford, 1991; Scott, 1995). Case in point, “Firms pursue profits, agencies pursue larger budgets,



political parties pursue votes, and research universities pursue publications” (Scott, 1987: 508). Accordingly, actors forgo alternative and destructive self-interested behavior in obedient ways due to institutional determinism (Wade-Benzoni et al., 2002).

The neo-institutional literature, for the most part, suggests that the legitimated interests enacted by organizations largely determine the identity of organizations. The connection between interests and identity, however, is divided based on rationality and consciousness both of organizational interests and institutional expectations. On the one hand, organizations have a conscious recognition and rational pursuit of their interests. Under this viewpoint, organizations recognize transforming institutional logics and select elements of these logics to identify with their interests (Meyer & Hammerschmid, 2006). For example, Elsbach & Sutton (1992) suggested that organizations respond to institutional expectations as a means to manage the public’s perception of the organization’s identity. In the cases of ACT UP and Earth First!, agents recognized the interplay between the organization’s interests and institutional expectations, and consequently, chose when and how organizations responded to institutional expectations.

On the other hand, organizations enact institutions through a subconscious recognition and less rational pursuit of their interests. For example, Meyer and colleagues (1987) found that school districts decouple their interests as they pursue various objectives. School districts maintain administrative systems as they phenomenologically experience institutional expectations, all the while also creating competencies to interact with federal agencies to obtain funding preferment. In this case, the identity of the organization emerges based on the school district’s interpretations of institutional expectations and their responses to build relationships with federal agencies.

Legitimated interests, however, are not pursued in rational ways. Instead, the school district identifies with institutional expectations as it experiences those expectations through the lens of the district's subconscious interests. The same theme emerged in Tolbert and Zucker's (1983) study of local governments. Municipalities with broader scopes supported the development of diverse and competing interests, which in turn influences local political activity. Municipalities with narrow scopes, in comparison, inherently limit the relevance of local government because institutional expectations are experienced differently. The makeup of subconscious interests impacts how the municipality experienced institutional expectations, and therefore, the diversity, or lack thereof, of interests impacts the municipality's identity.

#### *2.3.2.2. Institutional Relationships*

Legitimated interests bring actors together to form institutional relationships, both during processes of institutionalization and in fields that are highly institutionalized. The functions of interests within these institutional relationships presents implications on how the extant literature discusses contestation, collaboration, and power. First, and in regards to contestation, institutional fields, and thus the relationships between actors, emerge around contested interests where actors are in conflict and legitimated interests are negotiated (Hoffman, 1999; Hoffman & Ocasio, 2001; Enrione et al., 2006). Oftentimes, the contested interests that shape these fields are the result of broader ideologies. Ideological debates in this sense, where conflicting interests bring actors together, stem from the core values of actors, who they are, what they believe, and convictions of what is right and wrong (Wade-Benzoni et al., 2002).

Second, and in regards to collaboration, the Scandinavian institutionalism, institutional work, and inhabited institutionalism traditions view relationships as central to institutional studies. Case in point, the Scandinavian Institutionalism tradition is built around the notion of creating relationships among legitimated actors (Boxenbaum & Strandgaard, 2009). For example, the branding of Copenhagen Business School represented a case where individual actors fought to reproduce themselves and the subconscious interests they represented, thus leading to the creation of the school's identity (Borum & Westenholz, 1995). Relative to institutional work, interests function through the creation of new organizations as an extension of legitimated interests and proven organizational models. For example, Weber and colleagues (2009) illustrated how the creation of new stock exchanges is simply the adoption of successful practices in neighboring countries.

The inhabited institutional tradition takes relationships and the interests of different actors into strong consideration. For example, on the organizational level, interests are loosely coupled between management and employees (Gouldner, 1965; Hallett & Ventresca, 2006). In some instances, safety for example, employees supported the formalized structure of the safety program – “Safety is another story, the men won't resist that...its for their own good...they don't want accidents if they can help it...” (Gouldner, 1965: 184).

And third, where interests shape the roles of power dynamics amongst actors, in cases where interests are aligned amongst legitimated actors, institutional relationships will carryout institutional persistence. On the contrary, in cases where interests are not aligned amongst legitimated actors, institutional relationships will reflect smoothing

activities and change projects (Zucker, 1988). In DiMaggio's (1991) study of institutional change in the museum field, institutional relationships and power played a central role. Relationships between museum professionals, social reformers, and local elites, all of who had different interests, brought actors together to negotiate the museum's mission. Equally so, Powell (1988) described the functions of both mutual and conflicting interests in creating exchange relationships between suppliers, consumers, and gatekeepers in scholarly publishing communities. The bringing together of each actor, and their interests, culminates in an interdependent exchange relationship.

### *2.3.2.3. Institutional Change*

A final sub-category describing the functions of interests included discussions of institutional change projects. In studies of institutional change, whether "cataclysmic or glacial," the stability of interests is viewed to be of high importance (Friedland & Alford, 1991) as interests represent the underlying meaning systems of institutions (Suddaby & Greenwood, 2005). Indeed, institutional change provides an interesting backdrop to understand interests because the studies identify "trajectories and histories" and the contexts in which interests are "born, dissipate, and decay" (Hinings & Greenwood, 2002).

Central to studies of institutional change is the role of agency. Agents are described as "mover and shakers" (Colomy, 1988), "fashion setters" (Battilana et al., 2009), and "projective and imaginative" (Battilana & D'Aunno, 2009). Greenwood and Suddaby (2006), in their study of the Big Five accounting firms, suggested that organizations consider alternative interests and opportunities based on their structural location. Interests, therefore, function as a foundation for agency, where agents orient to

the present and undergo a “practice evaluation...to the demands and contingencies of the present (Battilana & D’Aunno, 2009).” Indeed, in cases of institutional entrepreneurship, agency enables actors with alternative interests to create imaginative trajectories of action (Dorado, 1995). In short, agents and organizations desire change when their interests go unfulfilled (Greenwood et al., 2002).

The institutional change literature does contribute to better understanding the functions of interests as they relate to institutional determinism and persistence. The institutional change literature recognizes that institutions are never frozen and recognizes actors that dodge the frozen institutional headlights that are so prevalent throughout the neo-institutional literature (Colomy, 1988). Cases of institutional change depict interests as a means for change agents to appeal to the hopes, fears, and desires of collective actors (Emirbayer & Mische, 1998). For example, drawing on regime theory, Wijen and Ansari (2007) illustrated how the interests of collective institutional entrepreneurs enable cooperation amongst global nation states. Interests, therefore, function to bring actors together in cases of institutional change, as is the case in creating “proto-institutions” (Zietsma & McKnight, 2009), attracting supporters in professional associations (Greenwood et al., 2002), and developing stable coalitions (Maguire et al., 2004). Alternatively, interests have been leveraged in competitive strategies during institutional change. Case in point, Kodak strategically created and disseminated discourses to suit their interests and not the interests of their competitors, suggesting that actors consciously recognize and act in opposition to their competitors’ interests (Munir & Phillips, 2005).

### **2.3.3. Critique of the Interests Literature**

The existing research on interests throughout the organizational institutional literature has several limitations. First, of the papers reviewed, none of them provided a basic definition or conceptualization of what it means to have an interest. Admittedly, the variety of perspectives make defining an interest to be a challenging task, and doing so would be irresponsible to the breadth of thoughts that have surrounded this mysterious and complex phenomenon. However, treating interests with reckless abandon through widespread philosophical variations is equally problematic.

Second, the papers reviewed broadly viewed the origin of interests as being institutionally determined. However, by doing so, organizations, and their interests, are presumed to mindlessly comply with institutional logics. This presents a pair of problems. First, if interests are compliant with institutionalized citizenship, then they lack the complexities that manifest as organizations work to balance institutional expectations with their localized contexts. Second, interests are viewed as inert and, therefore, incapable of undergoing processes of shaping and re-shaping. Viewing interests as institutionally determined suggests, instead, that organizational interests are only malleable through institutional change. However, as Seo and Creed (2002) acknowledge, the structure versus agency debate calls into question the possibility of organizations recognizing interests other than those that are institutionally determined. Institutional persistence is inherently challenged to understand the malleability and processes of re-shaping interests.

Third, as the literature has portrayed institutional actors who enact taken-for-granted institutional logics in rationalized ways, the literature has fallen victim to viewing

interests as equally rational. When Meyer and Rowan (1977) introduced the notion of rationalized beliefs, they were referring to “rulelike procedures to attain specific objectives” (Scott, 2008: 43), not rationalized beliefs in the tradition of economics. By presenting interests as rational phenomena, the literature commonly flirts with the widespread critiques of rational economics and the “anthropological monstrosity” (Bourdieu, 1993) of homo-economicus. Rational actors do not equate to actors with rational interests. There is a dearth of studies exploring the relationships between institutions and organizational interests. Consequently, there is no empirical support for viewing interests as a rational phenomenon, or even a conscious one, as pointed out long ago by Mills (1940).

Fourth, as institutionalists empirically explore the interactions of organizations, agents, and institutions, as they exist within social spaces, these interactions lead to institutional commitments. Yet these commitments are varied and therefore, there are levels of complexity that the literature has only begun to uncover. For example, it has been suggested that interests play a significant role in the fuzzy connections between institutions and organizational identities. Other studies have introduced notions of time and consciousness, however, with highly segmented understandings of when interests are constructed and the levels of awareness that organizations have of their interests.

Fifth, interests create institutional relationships by bringing legitimated actors together. However, we know very little about these relationships, especially from the viewpoint of organizational ecosystems where organizations collaboratively pursue their objectives (Daft, 2010). There is a deeper and more interesting story to be told that spans beyond power struggles to capture what happens when legitimated actors and their

interests converge. The literature does not adequately address the complexities of institutional relationships as legitimated actors, and their interests, navigate changing social environments. We have an idea of how actorhood, in relation to interests changes over time (Meyer & Jepperson, 2000), but we do not have an understanding of how these actors relate to one another.

And sixth, the literature has yet to engage in conversations of interests at various levels of analysis in institutional studies. There is a widespread lack of consensus as interests have been viewed to exist on micro, macro, and meso levels – indeed vis-à-vis agents, organizations, and fields, however, without an understanding of interests both at each level of analysis as well as, as each level is interdependent in everyday institutional life. Case in point, institutional theorists widely agree that interests are constructed from institutions, however, simultaneously suggest institutionalized interests stem from a number of actors including: the professions, powerful agents, and politics.

## **2.4. A LESS RATIONAL AND CALCULATIVE FRAMEWORK OF INTERESTS**

In response to the aforementioned critiques of the interests literature, the organizational institutionalism perspective does make a number of useful contributions to better understanding the phenomenon of interests. An improved and more useful framework of interests should unify these contributions and allow the perspective to emerge from the literature. Consequently, I begin by acknowledging the strengths of these contributions individually and the synergies of these contributions collectively.

First, it is useful to recognize institutional expectations, and thus the legitimacy that manifests from those expectations, as significant in acknowledging that interests exist within boundaries. Captured through organizational fields (DiMaggio & Powell,



1983; Hoffman, 1999), legitimated interests emerge as actors become legitimate by embodying those interests (Meyer & Jepperson, 2000). Second, by viewing interests as ongoing social constructions, interests are captured as a malleable phenomenon through the phenomenology that was captured in neo-institutional theory's most seminal work (Meyer & Rowan, 1977). Third, interests are viewed as the underlying meaning systems in institutional contexts (Suddaby & Greenwood, 2005). This is important for two reasons. First, interests are positioned as a central construct in institutions. Second, interests are subconscious, less rational and calculative, and potentially constructed ex-post of the actor's response to its environment. And fourth, interests emerge and function as actors enact institutional expectations in locally appropriate ways (Owen-Smith, 2011). This represents an important extension of the social constructiveness of interests, as their application is equally important in the enactment of interests. In short, a new framework should embody these four points.

To begin, institutions develop and operate as a result of interests (Gouldner, 1954) and can only become active when actors have an interest in the institution (Bourdieu, 1981). This is the case as institutions represent phenomenological abstractions as experienced and interpreted by agents and organizations. Moreover, these actors become interdependent as relationships form "around specific issues that become important to the interest and objectives of a specific collective of organizations" (Hoffman, 1999: 352). In this light, institutions enable interdependent relationships to exist in social spaces where interests function as a vehicle for interactions, negotiations, and interpretations. Within Hoffman's conceptualization exist a number of organizations with distinct

interests that work to either control the institutional relationships or collectively respond to the external environment.

These social spaces represent “social games” where actors are drawn to and engage with a game to display an interest in the game (Bourdieu, 1971; 1984). Each social game constitutes a distinct institution and social space throughout society. Consequently, to have an interest “is to be there, to participate, to admit that the game is worth playing and that the stakes created in and through the fact of playing are worth pursuing; it is to recognize the game and to recognize its stakes” (Bourdieu, 1998: 77). In short, organizational fields (DiMaggio & Powell, 1983; Hoffman, 1999) are synonymous with social games, and by playing the game; actors have an interest in the game. Bourdieu (1998) is unique in not only providing an understanding of what it means to have an interest, but also deciphers between having an interest, a disinterest, and being indifferent. Organizations with a disinterest recognize the social game, however, fail to perceive the game as being important, and consequently, do not play the game. Organizations that are indifferent simply do not recognize the game or its stakes.

The mechanism that determines the interests of an organization, and thus the social games played, is the organization’s ongoing social constructions. Similarly to Meyer and Jepperson’s (2000) ongoing historical and cultural constructions and Scott’s (2008) “central, enduring, and distinctive” values, an organization’s socially constructed experiences provide the organization with a “feel” for certain social games (Bourdieu, 1998). By definition, these constructions refer to the organization’s “system of lasting and transposable dispositions which, integrating past experiences, functions at every moment as a matrix of perceptions, appreciations, and actions” (Bourdieu, 1977: 95).

These social constructions represent meaningful preferences, as experienced by the organization, to which the organization acts upon. Organizations are drawn to and want to be part of certain social games as a means of displaying an interest in that social game in an instinctive rather than conscious manner. When interpreting institutional expectations and locally appropriate enactments of those expectations, interests provide actors with phenomenological motives for practice.

To play social games, actors participate in social groupings of interdependent individuals, organizations, and institutions known as figurations (Elias, 1978). The concept of figurations can be employed to understand interdependencies of actors as they fulfill particular roles throughout social games. Elias suggested that figurations are necessary “to resist the socially conditioned pressure to split and polarize” interests and institutions, which has resulted in a number of structure agency debates in recent institutional discussions. Figurations view agents and organizations as individual actors at the same time as thinking of them as institutions. In short, figurations address the phenomenon of interests as they exist within individuals, organizations, and institutions via a “multi-perspectival model of social interconnections” (Elias, 1978: 127).

Elias (1978) echoed Bourdieu’s use of social games to illustrate the interdependencies of players within specific organizational fields. Games, in Elias’s view, cannot be controlled by a single player or organization but instead interweave the perspectives and interests of multiple interdependent players to create figurations. To play a social game actors participate in a figuration. In this light, the game or the institution controls or at least influences the players, their interests, and consequently their actions. To robustly understand games and institutional spaces, sociology must take

into consideration both the first person and third person perspectives, as they are inseparable levels of analysis (Elias, 1978).

For example, Elias (1978: 130) discusses four players sitting around a table playing cards, where the four players form a figuration and their actions, therefore, are interdependent. The players can speak of the game as if it exists independently, for example “Isn’t the game slow tonight?” However, the course of action taken within the game, and the referenced pace is a result of interdependent actions following a structured game filled with rules and norms. Consequently, “the ‘game’ is no more an abstraction than the ‘players’” within the interwoven structure that is a “flexible lattice-work of tensions” (ibid: 130). The game can only be understood through the constant flux of the players and their responses to the other players, with strong parallels to Hoffman’s conceptualization of institutional fields. Moreover, spectators can only understand the game because the various players are interrelated as the game progresses.

By approaching interests through social games and figurations, the most significant contributions from the organizational institutionalism literature are preserved. Institutional expectations are maintained by rules and etiquette of social games. The social constructiveness and malleability of interests are emphasized both as social games and figurations evolve and as actors’ interests in certain social games, and subsequent participation in respective figurations, evolve through ongoing social constructions. Figurations represent a means to play a social game, however, largely on a local level. Consequently, this framework balances institutional expectations through social games with locally appropriate enactments through figurations. In short, a figuration represents a kind of sub-social game.

**TABLE 2**

<b>Less Rational and Calculative Framework of Interests</b>		
	<b>Institutional Determinism</b>	<b>Figurations and Social Games</b>
Meaning of Having an Interest	Unknown	Recognition and perceived importance of and participation in figurations and social games
Origins of Interests	Powerful actors within the field	Ongoing social constructions as experienced by the actor
Rationalization	Actors pursue singular interests in rational ways	Actors participate in figurations and social games based on interests
Institutional Commitments	Commitment to singular institutional context	Commitment to a number of institutional and localized contexts
Institutional Relationships	Emerge through identification with a field	Emerge through participation in a number of figurations and social games
Levels of Analysis	Interests constructed on a macro-level; actors' interests determined through identification with a field	Span macro-, meso-, and micro-levels of analysis

Furthermore, this framework, at least on a theoretical level, directly addresses many of the aforementioned critiques of how the phenomenon of interests appears in the organizational institutionalism literature, as illustrated in Table 2. First, the framework presents a conceptualization of what it means to have an interest. Second, the framework views the origins of interests through ongoing social constructions as phenomenologically experienced actors, while also maintaining the roles of power through interactions. Third, actors participate in social games and figurations based on their interests, but not in the rational and calculative ways. Fourth, institutional commitments are viewed as increasingly dynamic as actors commit to a number of institutional and localized contexts. Fifth, institutional relationships emerge through participation in a number of social games and figurations – indeed, maintaining the

integrity of the extant theorizing of organizational fields. And sixth, the framework is equipped to explore institutions as they span macro-, meso-, and micro- levels of analysis. To have empirical and practical contributions, however, the framework will need to be tested.

#### **2.4.1. Conclusion**

This review marks the first step to better understanding the phenomenon of interests in the organizational institutionalism perspective. Two primary themes emerged from my review of the literature. The first theme, origins of interests, emerged, depicting the processes of legitimating interests and the subsequent organizational embodiment of legitimated interests. The second theme, functions of interests, emerged, illustrating how organizations enact legitimated interests, the formation of institutional relationships, and the roles of interests in institutional change. Following my summary of the literature, I present a number of critiques, which I later addressed by presenting a less rationalized and calculative framework of interests. Through this framework, I borrowed Bourdieu's (1998) conceptualization of what it means to have an interest and how the concepts of social games and figurations parallel the organizational institutionalism literature. By leveraging social games and figurations throughout the framework, I suggest that the significant contributions that the organizational institutionalism perspective has made towards better understanding the phenomenon of interests are not only maintained, but also enhanced through a fresh perspective. Moreover, on a theoretical level, the framework addresses many of the presented critiques, however, needs to be applied and explored further to make any empirical or practical contributions.

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**Chameleons and Copycats: A Historiography of U.S. Chambers of Commerce**

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Thesis Paper Two

## **Chameleons and Copycats: A Historiography of U.S. Chambers of Commerce**

### **3.1. Abstract**

Today, chambers of commerce represent both the largest business federation and public-private partnership in the world yet remain grossly understudied. As an institution that emerged to pursue interests, I explore the phenomenon of interests within chambers of commerce throughout their historical development beginning during the late 1800s and continuing through today. Illustrated through three phases, chambers of commerce have survived the test of time by pursuing different interests and participating in different social games in response to the changing American society.



## **Chameleons and Copycats: A Historiography of U.S. Chambers of Commerce**

*“Let us develop the resources of our land, call forth its powers, build up its institutions, promote all its great interests, and see whether we also, in our day and generation, may not perform something worthy to be remembered” – Daniel Webster, 1825, as inscribed on the building of the U.S. Chamber of Commerce*

### **3.2. Introduction**

With hindsight, no institution looks as responsive and capable of traversing the changing American society as the noteworthy rise of U.S. chambers of commerce during the twentieth century. Emerging in the late 1800s as associations of business owners to further their own interests (Friedman, 1947; Costain & Costain, 1981; Ray & Mickelson, 1990; Brown, 1997; Ridings 2001; Johnston & Mahra, 2002), chambers of commerce have turned into perhaps the most significant institution representing American communities today.

Illustrated by Michigan’s chambers of commerce<sup>3</sup>, the first notable development was quantitative: in 1900, 10 chambers of commerce had been formed in Michigan; by 1940, the number had climbed to 39; by 1980, it reached 132; and by 2010, 213 chambers of commerce were active throughout Michigan’s communities. The growth rate of non-member<sup>4</sup> chambers of commerce in relation to member chambers of the Michigan Chamber of Commerce was even more striking. Member chambers represent local chambers of commerce that have formal memberships in the state-level chamber and are, therefore, engaging in activities of legitimacy. Between 1900 and 1920, the number of member chambers of commerce grew by 90%, while only a single non-member chamber

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<sup>3</sup> For the purpose of this study, I explored the 213 chambers of commerce in existence in Michigan today. Appendix 2 illustrates the breakdown of these chambers of commerce.

<sup>4</sup> Member chambers of the Michigan Chamber of Commerce represent the 2010 member directory. For example, if the chamber was founded in 1950 and is currently a member chamber, then they were counted as an emerging member chamber in 1950.

emerged. However, these growth rates quickly changed. Case in point, between 1940 and 1960, the number of member chambers of commerce grew by 48%, while the number of non-member chambers grew by 189%. Between 1980 and 2010, the number of member chambers of commerce grew by only 12%, while non-member chambers grew by 79%. By 2010, 18% of Michigan's local chambers of commerce were members of the Michigan Chamber of Commerce.

The second change was qualitative and in relation to the interests pursued. The institution of chambers of commerce largely moved to the forefront when President William Howard Taft addressed Congress December 7<sup>th</sup>, 1911, calling for the need to have a unified and “central organization in touch with associations and chambers of commerce throughout the country” and “to keep purely American interests in a closer touch with different phases on commercial affairs”. Many of the principles that President Taft referenced in his address to Congress propagated throughout chambers of commerce on an institutional level. Chambers of commerce, however, have remained malleable by embodying the meaning of unified interests as external conditions have changed throughout the twentieth century.

Broadly speaking, I can identify three historical shifts in the institution of U.S. chambers of commerce over the course of the twentieth century. In the first phase, beginning during the end of the nineteenth and the beginning of the twentieth centuries, chambers of commerce functioned as “good ol’ boys” clubs and as a mean for business owners to pursue their own interests (Schumaker & Bileaux, 1978; Durant, 2011). During this time, chambers of commerce largely enabled business owners to better pursue their interests in unified ways, while protecting regional industries in which the

business owners operated. Chamber's membership represented only the largest and most powerful privately owned businesses. The extant literature on chambers of commerce, although limited, presents chambers as they existed during this first phase.

The second phase, beginning in the 1940s and continuing through the 1970s, marked the dawn of a new institutional focus, transitioning away from the utility of business owners to the economic vitality of developing suburban communities. During this time, chambers of commerce worked to expand the development of Michigan's communities as the state's population relocated from the larger cities and into surrounding suburban communities. Chambers' membership still represented the largest and most powerful privately owned businesses, but also began to embody a number of smaller organizations.

In the third phase, which began during the 1980s and continued through the beginning of the twenty-first century, focus on economic vitality gave way to community survival and stability. During this time, chambers of commerce largely worked to link the public and private sectors as a means of further unifying the interests of numerous community stakeholders. As the majority of Michigan's communities faced both drier economic conditions and political divide, chamber affiliate organizations emerged and chambers' membership represented organizations of all sectors and sizes.

To be sure, the institution of U.S chambers of commerce and the unified interests it represents has remained vital to organizations under a variety of conditions throughout the twentieth century. But the institutional trend of chambers of commerce is one of growth and increased relevance in American society. This relevance stems from an institution committed to succeeding in the changing social games of the twentieth century

– indeed, most recently the need for collaboration between the public and private sectors, as well as the residents of local communities. Case in point, today the institution of chambers of commerce represents both the world’s largest business federation (U.S. Chamber of Commerce, 2011) and public-private partnership, representing over three million business from all sectors and sizes.

### *3.2.1. Theoretical Lens*

In this paper, I suggest that the changes to the institution of U.S. chambers of commerce throughout the twentieth century can best be understood through organizational interests in changing social games and figurations. A social game represents a social space where actors are drawn to and engage with a game to display an interest in the game (Bourdieu, 1971; 1984). Indeed, within these social games, interdependent relationships form as the result of specific interests and objectives of a collective of organizations (Hoffman, 1999). To have an interest “is to be there, to participate, to admit that the game is worth playing and that the stakes created in and through the fact of playing are worth pursuing; it is to recognize the game and to recognize its stakes” (Bourdieu, 1998: 77). In short, organizations are drawn to and participate in social games, which are synonymous with organizational fields (DiMaggio & Powell, 1983; Hoffman, 1999), because organizations have an interest in the social game. These interests are shaped and re-shaped by the organizations’ ongoing social constructions, both historically and culturally, as the organization experiences a changing society (Meyer & Jepperson, 2000).

Social games, however, are social phenomena that exist on the field level and have distinct legitimated interests (Bourdieu & Wacquant, 1992: 117). To play a social

game, organizations engage in meso-level interactions through figurations. Figurations represent social groupings of interdependent individuals, organizations, and institutions and can be applied to better understand interests within social games (Elias, 1978). Organizations participate in figurations as a means to play macro-level social games in locally appropriate ways. Social games, as a result, can only be understood by the figurations of interdependent relationships they create.

Elias (1978) describes how the game of football represents a figuration of interdependent actors with similar interests. The figuration can only be understood as one group of players, or team, responds to the other group of players, or other team – indeed, creating a constant flux of interdependent relations (Elias, 1978: 131). However, the figuration follows a broader social game with rules and norms. The figuration represents a means to play the social game of football. The game and players represent abstractions of what it means to participate in a figuration and the game of football and respond as they experience the constant flux, or changes in their opponents, conditions on the playing field, and broader societal influences on the game.

Similar to the interdependencies created through figurations in the game of football, The *Detroit* (1938) illustrated the interdependencies stemming from unification and teamwork between businesses, employees, communities, and the public as a whole, that are central principles to the emergence of chambers of commerce throughout the United States. Exhibit 1 was published in *The Detroit* and demonstrates the philosophy that chambers of commerce unify organizations to form interdependent relationships. These figurations of interdependent relationship, in turn, work to address the societal changes that the chamber has a broader interest in. This paper, therefore,

illustrates the institution of U.S. chambers of commerce throughout the twentieth century, specifically the changing interests, social games, and figurations the institution represents in relation to the changing American society.

#### EXHIBIT 1



Exhibit published in *The Detroit* (1938: Vol. XXIX, pg. 11)

### 3.3. DISENTANGLING THE RELEVANT INSTITUTIONAL PLAYERS

It is important to unpack the historical positions of various players participating within the social games of chambers of commerce, especially as the language used to name these organizations has been diverse – indeed, portraying different types of organizations. In the early stages, particularly around the turn of the twentieth century, these organizations were commonly known as boards of trade. Accordingly, boards of trade were organizations that unified the interests of board members to collectively deal with regional problems. Typically, these problems included declines in or limitations to regional trade and the consequential financial difficulties board members experienced as a result of these problems. Board members formally interacted with one another during

monthly or quarterly meetings, particularly to discuss causes of regional problems and strategies to alleviate difficulties. In short, boards of trade protected the interests of board members and the regional industries they did business in.

Boards of trade were later renamed chambers of commerce. Keeping many of the principles around unifying the interests of regional business owners, chambers of commerce also became advocates for regional and community interests by interacting with local communities, political decision makers, and regulatory agencies. Membership expanded under chambers of commerce to embody organizations of all sectors and sizes. Chambers of commerce advanced by operating beyond monthly meetings to include full-time professional staffs and locating themselves as a central resource to the memberships and communities they served. Chambers of commerce also developed accreditation programs and chamber professional associations. The accreditation programs emerged both on the national level through the U.S. Chamber of Commerce and the state level through various state chambers of commerce. These accreditation organizations worked as external auditing groups to provide institutional legitimacy for accredited chambers of commerce. Chamber professional associations, on the other hand, focused on developing the skills and competencies of chamber professionals, while building and maintaining professional knowledge.

Most recently, chamber affiliate organizations have emerged as a spin-off from chambers of commerce. Many of these organizations include terms such as coalition, alliance, and partnership in their names. Chamber affiliate organizations, which are primarily funded by chambers of commerce, are regional partnerships between particular organizations to pursue specific and shared interests. For example, coalitions have

emerged between regional clusters of chambers of commerce to pursue legislative interests on both the state and national levels. By doing so, these coalitions have embraced the unified strategies that have long played a central role for chambers of commerce; however, through an inter-chamber strategy as chambers identify areas of interest in need of additional resources. Today, the majority of chambers of commerce are involved in multiple chamber affiliate organizations.

### **3.4. THE UNIFIED INTERESTS OF AMERICAN BUSINESSMEN**

#### **3.4.1. Creating and Protecting Regional Industries**

At the turn of the twentieth century, Michigan's population was largely located within the most developed cities. These cities were hubs for regional industries, many of which were experiencing pressures to both expand and protect themselves from competition. This was especially relevant in relation to Michigan's proximity to the Canadian border. Consequently, boards of trade pioneered the model of unifying the interests of business owners to collectively deal with these regional problems.

In 1886, the first attempt at establishing a board of trade in the city of Grand Rapids failed as a result of the board's focus on creating a buying-and-selling culture with a clear focus on the short-term utility of board members without any inclusion of the broader community (see Goss, 1906 for a detailed history of the Board of Trade). Shortly thereafter, in September of 1887, H.D.C. Van Asmus drew up a memorandum calling for the second attempt at establishing a board of trade, this time with a focus on addressing a number of issues for Grand Rapids and its regional industries. Asmus's career had previously included a long tenure with the old Grand River Railroad Co. and was named the General Railroad Agent, becoming "thoroughly familiar with Grand Rapids shipping



interests and transportation problems” (Goss, 1906: 814). Additionally, Asmus had experience working for the newspaper in Holland before he relocated to the United States, teaching him both the value and methods of publicity. Asmus was also well known throughout Grand Rapids as a skilled leader in “the art of uniting men for a common purpose” and knowing “how to harmonize conflicting interests for the general good, how to inspire enthusiasm and how to induce men to affairs to devote time, money and effort to civic affairs” (Goss, 1906: 814).

Following Asmus’s memorandum calling for a Business Men’s Association, the city’s leading financial, commercial, and industrial representatives organized, successfully securing 146 signatures to establish the Grand Rapids Board of Trade. Interestingly, the early issues addressed by the Grand Rapids Board of Trade included the city’s water supply, freight rates, transportation problems, and inclusion on the railroad trunk line, many of the very areas of Asmus’s expertise. The vision of the board included “a commitment to progress, economic prosperity, members’ interests, and the future of the city of Grand Rapids.” The board was considered instrumental in securing freight rate concessions and enhancing both the freight and passenger rail services in and out of Grand Rapids. Moreover, in 1905, the Grand Rapids and Lake Michigan Transportation Company, which was owned and operated by the Grand Rapids Board of Trade, constructed two stern wheel steamboats to carry freight throughout the West Michigan region, which were welcomed by the delight of over 500 members of the board.

Nineteen years later, seventeen of the twenty-nine original elected officers were still members of the board, including Asmus, who remained the board’s secretary. During those same nineteen years, the board’s membership had grown to roughly 1,200

active paying members and was widely viewed as the “central rallying point for the business men of Grand Rapids and Western Michigan” (Goss, 1906: 813). Widespread agreement existed that the Grand Rapids Board of Trade had “developed a condition of harmonious co-operation among the business men of Grand Rapids, that has no parallel in the entire State of Michigan.” The Grand Rapids Board of Trade was later renamed the Grand Rapids Association of Commerce in 1911, and became the Grand Rapids Area Chamber of Commerce in 1943.

The Saginaw Board of Trade illustrated another early example that worked to protect the unified interests of regional industry. During the end of the nineteenth century and beginning of the twentieth century, Saginaw County was home to over 100 lumber companies – indeed, providing enough lumber to earn the nickname “Lumber Capital of the World” (Rubenstein & Ziewacz, 2008). As a result, the Saginaw Board of Trade actively represented the region’s thriving lumber industry. Even Alexis de Tocqueville (1862: 196) recognized the regions lumber capabilities:

“In a few years these impenetrable forests will have fallen; the sons of civilization and industry will break the silence of the Saginaw; the banks will be imprisoned by quays; its current which now flows on unnoticed and tranquil through the nameless waste will be stemmed by the prows of vessels. More than one hundred miles sever this solitude from the great European settlement, and we are, perhaps, the last travelers allowed to see its primitive grandeur.”

Tocqueville’s predictions came to fruition. In 1892 alone, Saginaw River mills shipped 708,465,027 board feet of lumber. The industry in its entirety produced roughly \$100,000,000 for the Saginaw region. Exhibit 2, originally published in the 1884 Annual

Report of the Saginaw Board of Trade, illustrates how the board of trade, as it represented the unified interests of the lumber industry, controlled the entire Saginaw Valley region, thus providing protection to member organizations.

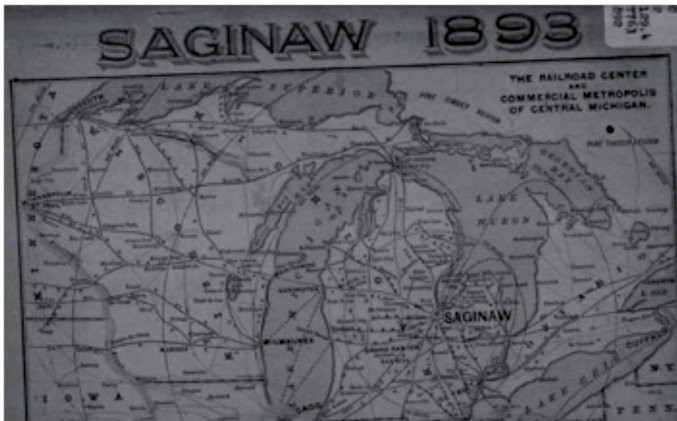
## EXHIBIT 2



The Saginaw River Valley as divided by the lumber companies protected by the Saginaw Board of Trade. Published in the 1892 Annual Review of the Saginaw Board of Trade. The divided sectors represent the entire river valley, illustrating both the board's control of the region and interests in protecting the region's lumber industry.

In its early years, the Saginaw Board of Trade worked on two primary projects. The first was to protect Saginaw’s lumber companies by successfully limiting Canada’s ability to cross its lumber products over the international border and into Michigan. The second was to assist in the development of a rail system to enhance the region’s shipping and business capabilities. As a result, Saginaw’s rail system was well ahead of its time by 1892, where “one can leave Saginaw in the morning, on any one of the eleven different railroads radiating from the city, and travel a hundred miles or more, transact several hours’ business and return the same evening” (Annual Review, 1892: 16). By 1892, 76 passenger trains stopped in Saginaw daily, equating to roughly 1,000,000 passengers traveling through every year. Exhibit 3 illustrates Saginaw’s vast rail system,

**EXHIBIT 3**



Map published in the 1892 Annual Review of the Saginaw Board of Trade detailing the region's rail system. The Saginaw Board of Trade was largely responsible for the development of the rail system and the opportunities that rail transportation brought to regional commerce.

which demonstrates the opportunities that emerged largely due to the work of the board of trade. The Saginaw rail system, consequently, represents a precise example of what the work of boards of trade produced during this time.

The Saginaw region's lumber production, however, declined as rapidly as it had once grown due to the large output and a lack of additional white pine forests to harvest. The Saginaw Board of Trade adjusted by refocusing its efforts to develop the region's salt, coal and farming products. Case in point, the region's annual output of salt topped 1,000,000 barrels. The Saginaw Board of Trade was later renamed the Saginaw County Chamber of Commerce.

The Holland Board of Trade represented a third example in Michigan that was active at the beginning of the twentieth century. Founded in 1908, the Holland Board of Trade unified the interests of 26 local business owners by initially focusing on "creating the financial means to purchase land, recruiting businesses to town, selling the land owned by the Board of Trade, and financing the transactions by selling bonds" (Holland Chamber History, 2008). In a sense, the Board of Trade operated as a land broker, with the power to control the creation of the business environment in the Holland region. Case in point, the Board of Trade selected organizations by two criteria, including a financial background check and expectations of job creation. Businesses that were successfully recruited and consequently operated in Holland reaped the benefits of shipping access to Lake Michigan, credit of the channel that was hand dug by the Board of Trade's founding fathers to connect Holland to the Great Lakes. Examples of businesses that located in Holland included the Holland Rod and Bait Company, the Dearborn Engraving Company, Bowler Sporting Goods Manufacturing Company of Chicago, and the

Michigan Art Carving Company of Grand Rapids. The board's early focus on job creation and the attraction of larger organizations to Holland can still be seen today, as 12 businesses of the Fortune 500 call Holland home maintaining a high number of jobs for a city with a 2010 population of 33,051 (2010 Census Estimates). The Holland Board of Trade was renamed the Holland Area Chamber of Commerce with a mission "To advance the commercial, industrial, professional, and civic welfare of the Greater Holland Area, and to cultivate a spirit of cooperation, tolerance, and helpfulness among its residents" (Holland Chamber History, 2008). The Holland Area Chamber of Commerce was later incorporated as a non-profit organization in 1935.

Fourth, and as a final example of the institution in its infancy, the Detroit Board of Commerce functioned as a "Concentrated Business Force" with the single purpose of furthering the business interests of the community (Detroit, 1914: 21). The board was first organized in 1903, merging together the Merchants and Manufacturers Exchange, which was founded in 1878, the Chamber of Commerce, which was founded in 1892, and the Convention League to represent "Men of good standing who are interested in the commercial, industrial and municipal advancement of the city of Detroit" (Articles of Association, 1903: 2). The board's membership quickly grew from 252 charter members in 1903 to over 2,400 in 1912 and it was believed that the board effectively represented "the interests of the people of the city of Detroit..." (Detroit, 1912: 10). In 1914, the Detroit Board of Trade summarized its purpose in *The Detroit*, a publication the board used to disseminate information to its membership:

"Detroit has many successful organizations composed of leaders in different trade and commercial divisions, yet those trade organizations have not in themselves the power to extend beyond their own boundaries.

Their greatest service is the improvement of business in which such organizations center. The Board of Commerce is the external force of all such commercial, industrial, and professional groups, and Board of Commerce members are working for the betterment of all Detroit” (Detroit, 1914: 21).

Moreover, the board emphasized reciprocity in that business owners would get out of the chamber what they put into it. For example, members of the board were viewed as fulfilling “their obligations as citizens, as well as their responsibilities as captains of industry and builders of its business enterprises” (Detroit, 1913). The power of the board did not necessarily result from the board’s actions, but instead members’ actions as the board inspired them.

“...the growth of any community is gauged by the spirit of its citizenship! The splendid growth of Detroit is largely due to the brainy, persistent, indomitable effort of men – men of broad vision, men of initiative, men with ideals and the courage to fight for them, even in the face of the most discouraging circumstances...As a great factor in the life and development of a community, there exists the Detroit Board of Commerce, a powerful 3,000 manpower machine – an organization made up of citizens from every walk of life and banded together for the purpose of *creating* not only a greater Detroit, but a better city...” (emphasis added, Detroit, 1912).

The Detroit Board of Commerce’s emphasis on citizenship was visible in 1913 through the construction of a permanent home for the board. Exhibit 4 illustrates the groundbreaking ceremonies with the message “The city of opportunity – proud of its worthy past – steadfast in its prospering present – and confident of its wonderful future” (Detroit, 1913: 14). Exhibit 4 demonstrates the centrality of the Detroit Board of

Commerce within the city of Detroit as a large number of supporters attended the groundbreaking ceremonies. Moreover, the informality of the way the attendees are organized exemplifies the grass roots mentality of the earliest boards of trade as they worked to unify business interests for the first time.

#### EXHIBIT 4



Picture taken at the groundbreaking ceremony for the new Detroit Board of Commerce building as published in *The Detroit* (1913).

Throughout its earliest years, the Detroit Board of Commerce pursued similar ideals to that of the Grand Rapids, Saginaw, and Holland Boards of Trade. For example, the board worked to unify both its members' interests and regional transportation organizations to address railroad difficulties, where the interests at stake were not solely in the alleviation of short-term difficulties, but were primarily focused on "a very comprehensive and patriotic desire to settle the transportation problem for many years to come" (Detroit, 1920). Moreover, the board worked with city government to address intra-city transportation issues including street railways. Later, the board partnered with



the Detroit Aviation Society to form a centralized voice to direct efforts to make air travel possible throughout the region.

The efforts to enhance transportation as a whole in Detroit and connect the city and its businesses to regional trade were largely successful, paving the road for the creation of industry and trade for Detroit. In fact, Detroit became the fourth largest city in the United States by 1937. Exhibit 5 illustrates a pair of events stemming from the city's growth in transportation. Photograph 5A (The Detroit, 1912: 24-25) represents a trip of 400 delegates from the International Chambers of Commerce who visited Detroit in 1912. This photograph is particularly interesting because it illustrates the efforts the board made to create opportunities for its membership, as well as the board's power to bring in 400 delegates from international locations in 1912. Photograph 5B (The Detroit, 1911: 24-25) represents members of the Detroit Board of Commerce who traversed Michigan by rail to visit Bay City, Saginaw, Grand Rapids, Kalamazoo, and Battle Creek, returning enthusiastic about expansive business opportunities. Taken together, photographs 5A and 5B represent opportunities created for member organizations by unifying together, both in bringing international delegates to the city and in travelling throughout Michigan to expand business beyond the immediate region.

The Detroit Board of Commerce also played an active role in shaping the perspectives of member organizations in relation to issues facing the city of Detroit. For example, the board actively disseminated its view on trade agreements, "Today the entire world is confronted with the impact of totalitarian philosophies and ideologies such as Communism, Fascism and Socialism. These sterile philosophies have obscured the real revolution of our time-mass production" (Detroit, 1937). Another example included

**EXHIBIT 5**

Picture 5A



Picture 5B



Photograph 5A was taken in 1912 when 400 international delegates visited the Detroit Board of Commerce to develop international trade opportunities. Photograph 5B was taken in 1911 and illustrates members of the Detroit Board of Commerce who visited a number of cities throughout Michigan in search of business opportunities outside of the immediate Detroit region.

discussions of the cost of freight rates, “Freight rates, which are such a large factor in our industrial affairs, have not been adjusted, but remain at the highest level in history. Manifestly there can be no return to normal business conditions until the price of transportation bears a proper relation to commodity values” (Detroiter, 1922).

Between the years of 1903 and 1940, the Detroit Board of Commerce was focused on creation. In 1929, it was suggested that “Detroit, in half-a-generation, has become the wonder of the modern world. Yet, it is only in its infancy” (Detroiter, 1929). In 1941, the Detroit Board of Commerce published a series of quotes summarizing the city and its creation: in 1906, “In Detroit, Life is Worth Living”; in 1912, “Detroit the Dynamic”; in 1923, “Detroit, Capital of the World’s Greatest Industrial Empire”; and in 1941, “Detroit, World’s Mass Production Capital... World’s Center of Power Production... America’s Greatest Arsenal.”

### **3.4.2. Towards a Social Game of Creation**

During the first phase, the earliest boards of trade were established in Michigan at end of the nineteenth and beginning of the twentieth centuries, and the social game represented the creation and protection of regional businesses and industries. In each case – the Grand Rapids Board of Trade, the Saginaw Board of Trade, the Holland Board of Trade, and the Detroit Board of Commerce – regional business owners unified both their interests and efforts towards the creation of both the boards of trade and the businesses and regional industries which they worked to protect. This process of unification is best described through citizenship. The players of these social games, representing those who had an interest in the games, included regional business owners, as the games provided possible solutions to the protection of regional industries. The

playing fields included the largest cities throughout Michigan, most of which were proximally located to shipping ports.

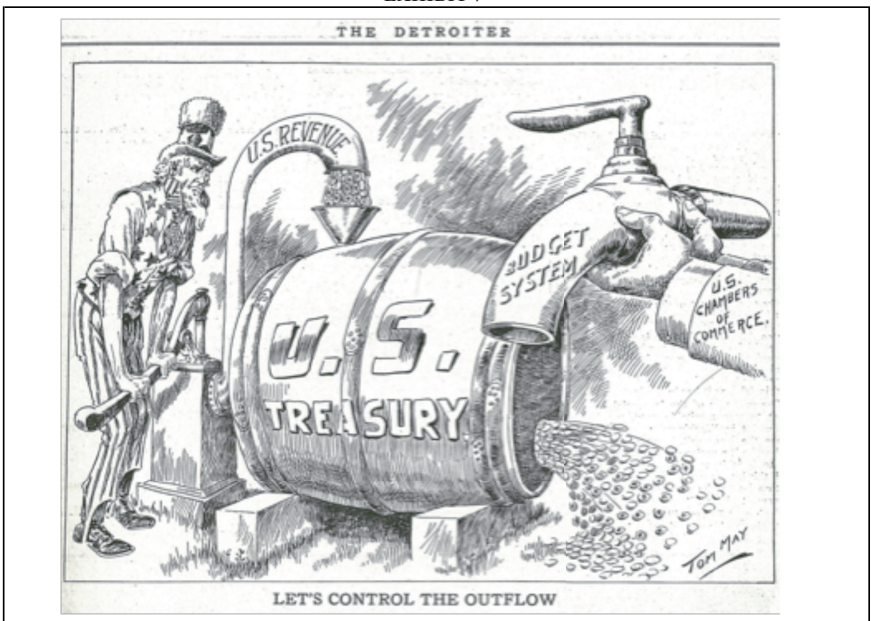
**EXHIBIT 6**



The figurations, at this time, represented the boards of trade themselves, as business owners set aside the rhetoric of market competition and instead organized through collaborative and interdependent figurations to engage with the external environment. Consequently, the overarching social game focused on creation and produced the development of rail and water shipping capacities, the expansion of regional travel capabilities, and the recruitment of new businesses to add jobs and regional revenue sources. As the social game created these advancements in response to both external conditions and threats to regional industries, the interests of member organizations and chambers of commerce alike, represented optimism for unification and

improvements to regional commerce. As example, The Detroit was branded the “Spokesman for Optimism,” which is captured in Exhibit 6 through the optimism of the possibilities of forward progress. As a result, boards of trade can be largely credited for paving the path for the unification of business owners and their interests. To operate as a board of trade meant to unify interests to create, grow, and protect the regions served, and for the first time, do so in a unified way.

#### EXHIBIT 7



As interests became legitimated, the emphasis on regional protection also expanded to the relationships between chambers of commerce and the federal government. Emphasizing competence on the organizational level, chambers of commerce represented a strong sense of conservatism in relation to the federal government. Central to this discussion was a desire to decrease the size of government,

and consequently, the budget system. Exhibit 7 illustrates a comic published in *The Detroit* (1920) and demonstrates the desire for chambers of commerce to control the budget system in an effort to embody a conservative philosophy as a means of protection.

### **3.5. LEGITIMATION AND EXPANSION OF CHAMBERS OF COMMERCE**

#### **3.5.1. Becoming a Formalized Institution**

During the second historical shift, the institution of chambers of commerce underwent substantial change, most notably becoming far more formalized and relevant to expanding communities. The formalization process began on the national level in 1944; with the founding of the National Association of State Chambers of Commerce to promote a cooperative environment between state level chambers of commerce, while promoting the expansion of the state chambers of commerce throughout the country. Later renamed the Council of State Chambers, the organization functioned as a hub for state chambers to interact regarding issues of government affairs, legislative positions, lobbying strategies, and business development, thus equipping state level chambers with agendas and consequently, information to disseminate to their memberships.

The movement's success to establish state chambers of commerce throughout the country came to fruition in Michigan in 1959, with the founding of the Michigan Chamber of Commerce. A result of 683 business leaders gathering in Lansing on December 9, 1959, the Michigan Chamber of Commerce became a statewide voice "to promote conditions favorable to job creation and business growth in Michigan." The unified business leaders felt at the time that organized labor dominated the state's political agenda, where "laws and regulations were not favorable for business" (Michigan Chamber Tradition, 2011). The Michigan Chamber of Commerce quickly became one of

the largest and most active chambers in the country by operating state and federal policy action committees to “help keep Michigan business interests front and center for lawmakers at all levels.” Current Michigan Chamber of Commerce President, suggested:

“It is our history and tradition of leadership and accomplishment that give us good reason to be optimistic about the future. One of the secret advantages we have is that we work for nearly 7,000 risk-takers who are chronically optimistic people – people...who are strongly committed to our state and moving Michigan forward. We’re an organization that has a bias for action” (Michigan Chamber Tradition, 2011).

The Michigan Chamber of Commerce’s membership, from the very beginning, included businesses, trade associations, and perhaps most importantly, local chambers of commerce. In representing local chambers of commerce, the Michigan Chamber of Commerce focused its efforts in three primary areas: (1) to fight wasteful government spending and legislative reform, (2) to represent the interests of job providers by demanding a competitive state level tax structure, and (3) to fight governmental bureaucracy that inhibits Michigan’s economic growth. In short, the Michigan Chamber of Commerce represented member local chambers on a collective state level, while local chambers remain the “lifeblood” of communities.

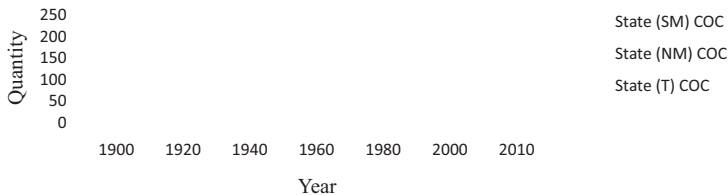
Table 3 illustrates the chronological development of chambers of commerce throughout Michigan, including the number of chambers of commerce that were a 2010 member of the Michigan Chamber of Commerce. Relative to both regional and state population numbers, the majority of Michigan’s residents resided in the largest cities between 1900 and 1940. Case in point, regions one and two witnessed the highest growth rates as cities such as Detroit and Grand Rapids developed. Between 1940 and

TABLE 3

Regional Population and Chamber of Commerce Development							
Year	1900 - T1	1920 - T2	1940 - T3	1960 - T4	1980 - T5	2000 - T6	2010 - T7
<b>Region 1 Population</b>	736791	813940	1170904	1758976	2221890	2561791	2650157
<b>Region 1 (MC) COC</b>	3	7	9	12	13	13	14
<b>Region 1 (NM) COC</b>	0	0	2	7	23	32	41
<b>Region 1 (T) COC</b>	3	7	11	19	36	45	55
<b>Region 2 Population</b>	582236	1467964	2613844	4181354	4682782	4833493	4704743
<b>Region 2 (MC) COC</b>	2	4	4	6	8	8	9
<b>Region 2 (NM) COC</b>	0	1	6	18	34	45	47
<b>Region 2 (T) COC</b>	2	5	10	24	42	53	56
<b>Region 3 Population</b>	412731	523989	683748	986195	1222465	1223271	1192354
<b>Region 3 (MC) COC</b>	2	4	4	5	5	7	7
<b>Region 3 (NM) COC</b>	0	0	1	5	10	14	23
<b>Region 3 (T) COC</b>	2	4	5	10	15	21	30
<b>Region 4 Population</b>	261362	332556	323544	305952	319757	317616	311361
<b>Region 4 (MC) COC</b>	1	1	1	3	3	3	3
<b>Region 4 (NM) COC</b>	0	0	3	5	7	9	14
<b>Region 4 (T) COC</b>	1	1	4	8	10	12	17
<b>Region 5 Population</b>	417762	429963	464789	590517	815184	1001293	1031043
<b>Region 5 (MC) COC</b>	2	3	3	5	5	5	5
<b>Region 5 (NM) COC</b>	0	0	6	17	24	34	50
<b>Region 5 (T) COC</b>	2	3	9	22	29	39	55
<b>State Population</b>	2410822	3568412	5256829	7822994	9262078	9937464	9889658
<b>State (MC) COC</b>	10	19	21	31	34	36	38
<b>State (NM) COC</b>	0	1	18	52	98	134	175
<b>State (T) COC</b>	10	20	39	83	132	170	213

(MC) represents member chambers of the Michigan Chamber of Commerce  
 (NM) represents non-member chambers of the Michigan Chamber of Commerce  
 (T) represents total chambers of commerce

Michigan Chambers of Commerce





1980, the state's population grew substantially, primarily in the suburban communities. Regions one and two, again, experience the largest expansion as suburban communities grew from the largest cities. Region four, on the contrary, did not experience this expansion because the region is not home to a large metropolitan area. Finally, in relation to population, according to the 2010 census estimates, Michigan experienced a decline in population.

However, even with a declining population, the number of local chambers of commerce continues to grow. Member chambers (MC), meaning that the chambers of commerce are members of the Michigan Chamber of Commerce, dominated the makeup of chambers between 1900 and 1940. However, beginning in 1940 and continuing through 2010, non-member chambers (NM) expanded and have since emerged as the majority of local chambers throughout the state. As illustrated in the chart at the bottom of Table 3, the overall growth trend has paralleled the growth of non-member chambers since around 1940.

The rise of chamber professionals as a formal professional body became official in Michigan in 1965 with the founding of the Michigan Association of Chamber Professionals (MACP). Founded by 13 of Michigan's local chambers of commerce, all of which are members of the Michigan Chamber of Commerce, the MACP worked to promote the industry and profession through continuing education and professional development programs targeting chamber executives and staffs. In fact, the MACP was a pioneer for providing leadership programs and disseminating professional knowledge, including best practices for Michigan's local chambers.

And finally, although the U.S. Chamber of Commerce was founded in 1911 as a result of the efforts of President William Howard Taft, the chamber did not implement its formal accreditation program until 1964. The accreditation program was developed to identify and recognize specific chambers of commerce “for having sound programs and organizational procedures and for continually creating and maintaining positive change.” Consequently, the program accredited both local and state chambers of commerce and today, evaluates the performance of chambers applying for accreditation in nine areas including: Governance, Finance, Human Resources, Government Affairs, Program Development, Technology, Communication, Facilities, and Benchmarking. Interestingly, however, of the 6,936 local and state chambers of commerce in the United States today, the U.S. Chamber of Commerce accredits only 230, or 3.3%. As a means to attract applications for accreditation, the U.S. Chamber of Commerce addressed “What did a Chamber of Commerce ever do for me?” through advertisements in the chamber’s publication *Nation’s Business*. Exhibit 8 is an example of these advertisements attempting to recruit local chambers of commerce to submit applications for accreditation. Within the state of Michigan, five chambers are accredited, including four local chambers of commerce and the Michigan Chamber of Commerce, which is one of only four accredited state chambers nationwide.

### **3.5.2. A Superhighway to Institutional Change**

During the second phase, 1940 – 1980, the institution underwent significant expansion. Case in point, the number of local chambers of commerce grew from 39 in 1940 to 132 by 1980, a growth rate of 239%. During the same time, Michigan’s population grew from 5,256,829 residents in 1940 to 9,262,078 residents in 1980, an

EXHIBIT 8



**“What did a Chamber of Commerce ever do for me?”**

If you are interested in a special pamphlet on this subject, write NATION'S BUSINESS. No obligation.

**I**’VE been doing some checking on this Chamber of Commerce thing—and mister, it opened my eyes.

The one in my town helped me keep my job. Maybe even made it possible in the first place.

There’s quite a jump between me and the folks who buy the stuff I help to make. They may be across the ocean, in a foreign country. Or they may be living in the next town. Wherever they are, it’s no cinch to sell ‘em and keep ‘em sold.

I don’t know much about freight rates, price agreements, quantity discounts, tariffs, or all those things I read about in the papers. But I do know they all add up to make the going plenty tough these days.

And I know that the Chamber of Commerce is one outfit that’s doing a lot to keep things moving; to get my product *from me to my market*, quick and cheap. No market—no job for me.

If the factory burns down, the pay roll goes up in smoke, doesn’t it? And what about the grocer and butcher who get theirs from that pay roll? That’s why the Chamber has a swell fire prevention program.

And sick workmen can’t make any money. Reason enough for the Chamber’s keeping an eye peeled for local health conditions.

If the Chamber hadn’t tried to get the city down to a common sense budget basis, taxes would have been so high some businesses would have moved where the burden was lighter—and lost their jobs and factories with them.

Worry? Sure, our local business people worry. Where would I be if they didn’t do my worrying for me and get together to do it? They’re sweating their brains on a lot of riddles that would be just a headache to me. If they quit sweating, business bogs down and my job with it.

That’s why I’m saying.....

*“What Helps Business Helps Me.”*

  
This advertisement is published by  
**NATION'S BUSINESS**  
—a magazine devoted to interperming business to itself, and bringing about a better understanding of the intricate relations of government and business. The facts published here are indicative of its spirit and content. Write for sample copy to NATION'S BUSINESS, WASHINGTON, D. C.

increase of 76%. Much of the population growth occurred in suburban communities, as residents relocated out of Michigan’s largest cities and into nearby suburban communities and raised Michigan’s baby-boom population. Moreover, as Michigan attracted new residents to the state, many of these residents purchased homes in the state’s booming

suburbs. This expansion was also a result of Michigan's economic and political environments. For example, Michigan's automobile industry received over \$13 billion in government contracts to manufacture war supplies. General Motors claimed, "Victory is Our Business."

The rapid population growth of Michigan's suburbs was also a direct result of historic investments in infrastructure, specifically expressways. In retrospect, President Bill Clinton (February, 8, 1996) claimed "The Interstate Highway Act literally brought Americans closer together. We were connected city-to-city, town-to-town, family-to-family, as we had never been before." President Eisenhower's Interstate Highway Act produced substantial jobs in manufacturing and construction and opened many rural communities to commercial opportunities. President Dwight D. Eisenhower claimed, "Together, the united forces of our communication and transportation systems are dynamic elements in the very name we bear – United States. Without them, we would be a mere alliance of many separate parts" (Weingroff, 1996). Case in point, the 105-mile John C. Lodge-Edsel Ford Expressway, as one example, was built to relieve traffic congestion in Detroit by enabling traffic to better flow in and out of the city and connecting Detroit to local suburban communities. The construction of additional expressways including I-94, I-96, and I-75 quickly positioned Michigan as the nation's leader in interstate highways (Rubenstein & Ziewacz, 2008). Additional infrastructure investments included the Mackinac Bridge, the country's longest expansion bridge in 1957 and the expansion of the St. Lawrence Seaway, which opened Michigan's economy to European trade partners. Michigan's population boom, expansion of highways, and growth of the state's primary industries such as automobile manufacturing, in sum, led to

Michigan's Gross Product being so great in 1966 that it was exceeded by the Gross National Product of only ten countries in the world. Michigan's unemployment rates were dropping as well, falling from 10% in 1960 to 4.7% in 1967.

As the economy and population was expanding and developing Michigan's suburban communities, business owners within these suburban communities began to unify their interests by creating local chambers of commerce. Instead of working to create, protect and promote commerce as earlier boards of trade did, these local chambers emphasized job creation and the development of flourishing communities. In short, these chambers were focused on economic vitality. Economic vitality, as it emerged within the institution of chambers of commerce, represented the development sustainable, diverse, and vibrant economies that fosters a high quality of life for future generations. And as Michigan invested in the construction of an expressway system, connecting the state's suburbs with larger cities, economic vitality represented a central interest for developing communities.

For example, members of the Detroit Board of Commerce spoke to Rochester's business men on the topic, "How to Boom Rochester." The talk detailed a number of strategies to beautify Rochester, working to make it an attractive community for regional manufacturers to relocate to. "Think of a greater Rochester all the time...and if every member of the local board does his part, success will come to you sooner or later" (The Detroit). It was not until the 1950s when I-75 and M-59 were constructed which Rochester became suburbanized – indeed, connecting the developing community to metropolitan Detroit. As a result, the Rochester Regional Chamber of Commerce was established as a non-profit organization focused on developing economic vitality by

promoting a favorable business climate and progressive place to live. As part of the chamber's focus on economic development, committees became a central structure of the chamber and its pursuits of economic development and legislative activities impacting the business community. A testimony to the success of the Rochester Regional Chamber of Commerce and the organization's pursuits of economic vitality in the public interest, today Rochester is ranked 39<sup>th</sup> in Money Magazine's Top 100 "Places to Live."

A second example of an emergent chamber of commerce representing the unified interests of a suburban community was the Livonia Chamber of Commerce, which was founded in 1950. Livonia was located at the intersection of I-96 and I-275, positioning it as a developing suburban community to Detroit. The mission of the Livonia Chamber of Commerce was "To enhance the success of our membership and the Livonia business environment by providing leadership to meet the need for a growing economy and a supportive government." In short, the chamber pursued economic vitality as the voice of the business community and cultivating relationships with elected officials. The core purpose of the Livonia Chamber of Commerce has remained to "promote and support economic vitality of businesses and the Livonia community" – illustrated by the chamber's nearly 900 member organizations.

A third and final example of a chamber of commerce in a developing suburban community was the emergence of the Howell Area Chamber of Commerce in 1949, which is one of the few local chambers accredited by the U.S. Chamber of Commerce. The chamber, which represented the development of a community located along I-96 roughly halfway between Detroit and Lansing, the state's capital, strived "to be a catalyst for a vital business environment and an exceptional community." The chamber worked

to balance itself as the voice of the business community while also serving as an advocate for the quality of life in the community. Again, as testimony to the chamber's success, the Howell Area Chamber of Commerce's membership is over 700 strong, making the chamber "one of the leading organizations helping to improve the economic vitality and quality of life for everyone."

### **3.5.3. From Protection to Developing the Future**

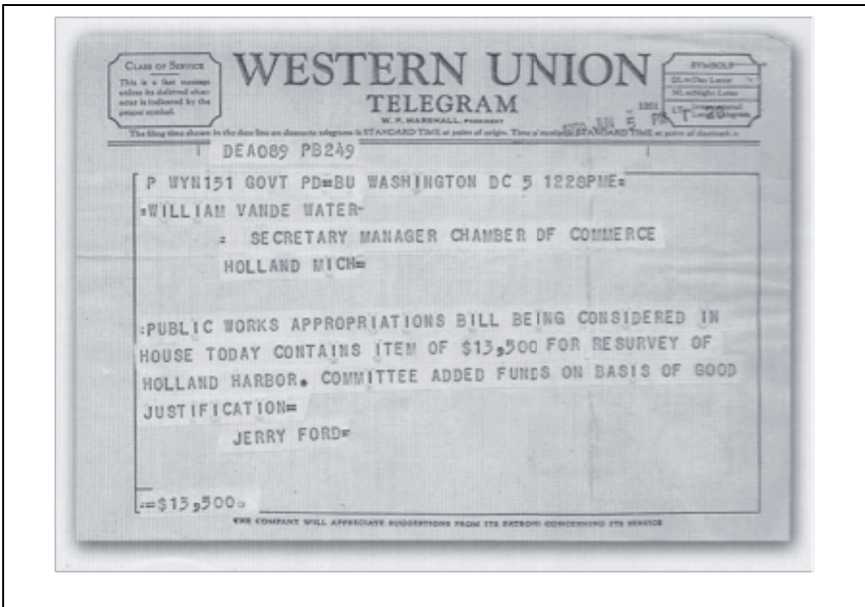
The earliest boards of trade remained active throughout the second phase in pursuing their unified interests, however, in different ways than they did during the earliest part of the twentieth century. The Detroit Board of Commerce, which was renamed the Greater Detroit Chamber of Commerce, expanded from simply pursuing the unified interests of the business community to embody a desire to advance the commercial, industrial, and civic means of the city of Detroit. In short, the chamber leveraged the "imagineering" of its membership for the benefits of all citizens. In a letter (1969) to the chamber's leadership team, both the Chairman of the Board and the President credited the imagination of the leadership team as critical to the future of Detroit: "This is your license to 'dream a little', for the dreams must always precede the reality; and the 'past is but a prologue."

"The Chamber had a single purpose at its outset – to further the business interests of the community. The dimensions of modern business have changed with the needs of the community and so has the scope of the Chamber's activities. The Detroit Chamber's expanded program recognizes the needs and the desires of its members, and it has responded with typical Chamber concentration of skills and energies in the attainment of agreed-upon goals for the community. The same committee structure that the membership found so responsive to their needs, and so

effective in attaining their goals in the past, has been expanded to meet the needs of a modern membership” (The Detrioter, 1969).

The Holland Area Chamber of Commerce, which became a member of the U.S. Chamber of Commerce’s accreditation program in 1967 as one of the first 125 chambers accredited nationwide to do so. During the second phase, the chamber reshaped its focus towards economic vitality and legislative pursuits. For example, the chamber ran full-page advertisements during the 1940s to represent the rights of business owners.

### EXHIBIT 9



Specifically, these advertisements communicated the chamber’s conservative viewpoint regarding free enterprise and increasing business expenses due to government taxation. The chamber also leveraged relationships throughout the 1950s and 1960s to have a legislative voice in Washington D.C. In 1959, the Holland Area Chamber of Commerce



received a telegram from Gerald R. Ford, who would later become President of the United States, regarding funding from the nation's capital to resurvey the Holland Harbor. Exhibit 9 is a copy of the telegram sent from Ford to the chamber, illustrating how embedded even local chambers of commerce had become within state and national politics.

#### **3.5.4. Towards a Social Game of Development**

During the second phase, as chambers of commerce emerged throughout Michigan's suburban communities and the earliest boards of trade rebranded themselves as chambers of commerce, the social game changed from the protection of regional businesses and industries to a social game of development, expansion and economic vitality. In all three cases – the Rochester Regional, Livonia, and Howell Area Chambers of Commerce – unified interests were represented through job creation and community development. In all three cases, however, growth in communities was a result of the state's economic and political conditions, in combination with the construction of the nation's most developed expressway system. In a sense, the local chambers of commerce in suburban communities were a result of the state's booming economy and population growth. Moreover, the expansion of the sheer quantity of chambers of commerce, in fact, was a result of the state's external conditions.

Changes to boards of trade, however, represented a slightly different story, although a story undoubtedly embedded within the same external conditions. Renaming boards of trade to chambers of commerce was a response to the formalization of the institution, certainly vis-à-vis the U.S. Chamber of Commerce's accreditation program and state-level membership and professional affiliations. The participation of larger

chambers in the social game changed from creation and protection to expansion and representation. Larger chambers of commerce were no longer the only players in the social games, but instead were now interconnected and interdependent with expanding communities, and the chambers representing those communities within the social game.

The state's expressway system changed both the players and the playing field of the social games and, consequently, participants' interests. During the second phase, the players expanded to include business owners in both the largest cities and developing suburban communities, the U.S. Chamber of Commerce, state-level chambers of commerce, and chamber professional associations. The playing fields were no longer confined to the largest cities, but now embodied suburban communities due to infrastructure developments. During the second phase, the social games produced a number of advancements to the institution of chambers of commerce. First, the social games expanded the role of interdependent relationships both within suburban communities and between suburban communities and larger cities. Second, the social game further embedded the position of communities within the figurations of chambers of commerce. As a result, the institution was starting to embody communities as central players within the figurations – indeed, taking the interests of communities into consideration. The embodiment of communities into chambers of commerce as a means to pursue regional economic vitality represented the institution's further move away from a liberal market economy towards a more collaborative approach. And third, the social games legitimated the norm of what it meant to be a chamber of commerce.

Interestingly, however, although the institution now had a formalized accreditation program and recognized professional associations, the lack of participation

in these programs was based on the central focus on unified interests within each chamber. Chambers of commerce earned legitimacy by successfully pursuing and representing the unified interests of member organizations as those interests pertained to specific social games and external conditions. Legitimacy, for chambers of commerce, was not determined by the chambers' competencies as identified in the accreditation applications. Certainly, this represented conflicts in perspective of how chambers of commerce maintained legitimacy.

### **3.6. UNIFYING INTERESTS IN THE FACE OF DECLINE**

During the third phase, the rules for how to play, and thus prescriptions for how to organize within the social game changed. Michigan's economy was in decline, moving from having the eleventh highest global Gross Product in 1966, when being compared to national economies, Michigan's gross domestic product ranked 21<sup>st</sup> in 2000 and 42<sup>nd</sup> in 2010 among 50 state economies. Michigan's unemployment rate, which was 4.7% in 1967 grew to 14.6% in 2009. Once an attractive place to live and work, Michigan's population was declining, as detailed in Table 1, and nearly half of the state's university graduates in 2009 relocated out of Michigan to states with better job prospects. Political dissatisfaction was widespread as approval ratings for state officials fluctuated between 30% and 40%. The water levels throughout the Great Lakes, a critical shipping resource for the state, were in serious decline, also impacting revenue earned by the tourism, recreation, and fishing industries. In short, Michigan and its communities were trying to survive the state's sharp decline. Without a doubt, chambers of commerce were forced to adjust.

Growth numbers of emerging chambers of commerce, even in the face of a declining population, continued during the third phase. Between 1980 and 2010, the number of chambers of commerce grew from 132 to 213 respectfully, a growth rate of 61%. A number of these emergent chambers were in rural communities and the result of the activities of Downtown Development Authorities (DDA). With the financial support of DDAs, many chambers of commerce in rural communities were a means to address declining job numbers and attempt to recruit new businesses, and thus jobs, to these communities. They did so, however, through the membership of different types of organizations than chambers did throughout the previous phases. Chambers of commerce in rural areas leveraged the unification of small businesses, and perhaps even more importantly, government and community organizations including schools. The inclusion of small businesses provided the chamber with power through membership numbers, while the chamber served as a larger stage for the small business to interact with various industries and markets.

For example, the Kalkaska Chamber of Commerce, founded in 2007, worked “to serve its members and community by providing services that promote the economy and protect the environment, making this region a better place to live, work, play, and raise a family.” Serving a community of 2,226 residents (U.S. Census, 2000), the Kalkaska Chamber of Commerce unified the “economic, civil, commercial, cultural, industrial, and educational interests of the Kalkaska area” by representing businesses in addition to local churches, schools, and government offices. A second example included the Buchanan Chamber of Commerce, which worked to leverage ties both inside and outside the community to “enhance growth, prosperity, and the quality of life in the Buchanan area.”

By doing so, the chamber believed the cooperation of leaders and organizations would propagate a “spirit of community.”

Throughout the third phase, Michigan’s chambers of commerce began to embody government and community non-profit organizations as part of their membership. These changes in membership, if truth be told, led to chambers of commerce becoming public-private partnerships (PPPs) through their membership. As highlighted earlier, the institution of chambers of commerce represents the largest business federation in the world, and now as they become PPPs, chambers also represent the largest PPP in the world. One chamber acknowledged:

“We pro-actively approach economic development as a ‘team sport’ and work hard to strengthen partner relationships, network public and private sectors, and work collaboratively to address economic development challenges and opportunities in our area.”

By operating as PPPs, chambers of commerce were effectively partners with businesses, schools, government organizations, and the community more broadly. Moreover, the boards that governed these chambers as PPPs included directors from schools, such as district superintendents and from local government, such as city managers, in addition to representatives from private organizations. Instead of simply unifying interests through a central meeting place, as the earliest boards of trade did, chambers as PPPs aimed to “partner with business, civic, and other community interests.” Chambers were playing a more active organizational role by moving beyond the act of being the forum to driving the forum.

“It must be understood that a Chamber of Commerce is PEOPLE. There is a place in the Chamber for members to get involved and accomplish collectively

what no one of them could do alone, thereby creating a pool of resources from which to draw ideas, energies, and finance. Today, Chambers of Commerce have become community organizations which recognize all the factors that affect their community...”

Instead, chambers of commerce partner countless organizations for the betterment and survival of communities.

### **3.6.1. The Emergence of Chamber Affiliate Organizations**

The third phase was also witness to the emergence of chamber affiliate organizations. Chamber affiliate organizations represented partnerships between multiple chambers of commerce or spin-offs with the continued support of each partner chamber. Although chamber affiliate organizations, pursued a variety of interests, their primary purpose was to pursue specific interests in collective and focused ways. Chamber affiliate organizations in Michigan seemingly represented ways for chambers of commerce to more effectively pursue the unified legislative interests of their now diverse memberships.

One example included the Northern Michigan Regional Chamber Alliance, which was established as a public-private non-profit organization through the collaboration of the Alpena Area, Benzie County, Cadillac Area, Petoskey Regional, and Traverse City Area Chambers of Commerce. The chamber affiliate organization is “based on the premise that many legislative issues impact Michigan’s northern lower peninsula in similar ways...issues should be addressed regionally to maximize the political influence of this 11-county chamber alliance and its over 5,500 members...” The organization identified primary areas of legislative interest, which it approaches through a pro-business conservative viewpoint.

A second example included the West Michigan Chamber Coalition, a chamber affiliate organization which emerged during the late 1990s as a cooperative legislative voice for the Grand Rapids Area, Muskegon, Holland Area, and Grand Haven, Spring Lake, Ferrysburg Chambers of Commerce. The organization’s purpose was to “pursue action and advocacy issues that affect the business community at the local, state, and national levels.” Moreover, the coalition actively disseminated information of government activities, legislative issues, and regulations that impacted the region to the over 6,000 member organizations it represented. Most recently, the West Michigan Chamber Coalition has pursued the modification and deregulation of state education works, including support for competitive bidding of public school employees’ health care and regional consolidation of public school districts; represented regional businesses on environmental issues such as air quality regulations, alternative and efficient energy sources, and the impact and regulation of invasive species into the Great Lakes; promoted conservative public policy attempting to lead to economic development and vitality including the reduction of state regulations and the creation of incentive programs; and lobbied to repeal the Michigan Business Tax for a “more competitive and broad based” business tax structure.

A third and final example included the Great Lakes Bay Region Alliance, founded in 2005, which partnered the Saginaw, Bay City, and Midland Chambers of Commerce. The alliance “formed to attack legislative issues they would like to have influence over”, which would impact the region’s economic development, legislative influence, regional promotion, and leadership. As was the case with the Great Lake Bay Region Alliance and other chamber affiliate organizations, these collaborations allowed the affiliate

organizations to focus on specific legislative interests, while the individual chambers pursued community survival issues.

### **3.6.2. Towards a Social Game of Survival**

During the third phase, the social game changed to survival. While many of these organizations during the third phase seemingly romanticized collaborations through public-private partnerships, the creation of these partnerships was an act of survival as Michigan was in decline. The players of the social games expanded to include private, public, non-profit, and government organizations representing all sectors and sizes, chamber affiliate organizations, the U.S. Chamber of Commerce, state-level chambers of commerce, and chamber professional associations. The playing fields also expanded to include urban, suburban, and rural communities, as well as regional proximities for inter-organizational collaborations.

The third phase represented an overarching social game of survival because survival became community survival became the primary objective of chambers of commerce and chamber affiliate organizations. As Michigan's economy was in decline, survival strategies included the emergence of PPPs, and in doing so, expanded the types of organizations that regularly participate in chamber activities. By doing so, the players that have an interest in the social game of survival changed, representing very different interests and players than illustrated throughout the first two phases. Political divide was prevalent throughout Michigan during the third phase, which chamber affiliate organizations aimed to address. Multiple chambers unified to address high levels of political dissatisfaction, which they recognized an interest in as legislative activities have strong impacts on member organizations. The emergence of chamber affiliate



organizations also enabled chambers to collaboratively address regional issues, while freeing each chamber of commerce to address the needs of their individual communities. Finally, the expansion of chambers of commerce throughout Michigan's rural communities was a widespread attempt at job creation, while also providing a unified voice to care for the survival of these communities. Without a doubt, the social game of survival categorically impacted urban, suburban, and rural communities in different ways; however, survival became relevant for all of Michigan's communities.

The social games during the third phase also produced a transformation for the institution as a whole away from a liberal market and towards a coordinated market orientation (Hall & Soskice, 2001). First, by embodying organizations of all sectors and sizes, the social games represented ways in which smaller organizations could gain power by participating in figurations. Second, the institution of chambers of commerce became the largest business federation and PPP in the world as myriad organizations unified together to collectively respond to challenging external conditions. Third, chamber affiliate organizations emerged from strategies to unify regional chambers of commerce together to embody a stronger and more unified regional presence. And fourth, the social game produced an institutional context where figurations of chambers of commerce and member organizations enabled communities throughout Michigan to enact institutional expectations in locally appropriate ways. This is significant as each community and chamber of commerce experienced Michigan's challenging external conditions in very different ways.

**TABLE 4**

<b>Changing Social Games of Chambers of Commerce</b>				
<b>Timeline</b>	<b>Social Games</b>	<b>Playing Field</b>	<b>Social Game Players</b>	<b>Legitimated Interests</b>
Phase 1: 1900 - 1940	Social Game of Creation	Largest Cities	Business Owners, U.S. Chamber of Commerce	Industrial Creation and Protection
Phase 2: 1940 - 1980	Social Game of Development	Largest Cities, Expanding Suburban Communities	Business Owners, U.S. and State-Level Chambers of Commerce, Chamber Professional Associations	Economic Vitality
Phase 3: 1980 - 2010	Social Game of Survival	Urban, Suburban, and Rural Communities, Regional Proximities for Collaborations	Private, Public, Non-Profit, and Government Organizations, Chamber Affiliate Organizations	Partnerships and Collaborations

### **3.6.3. Changing Social Games of Chambers of Commerce**

The changing social games of Michigan's chambers of commerce point to the responsiveness and capabilities of traversing the changing American society that was displayed during the twentieth century. Table 4 illustrates a comparison of each social game during the three phases of the development of Michigan's chambers of commerce. Moreover, Table 4 makes evident a pair of the institution's ongoing historical and cultural constructions (Meyer & Jepperson, 2000). First, the table details the expansion of the playing fields where the social games of chambers of commerce were played – indeed, speaking to the growth in numbers of chambers of commerce, as illustrated in Table 3. Second, Table 4 illustrates that the types and sizes of organizations that find an interest in chambers of commerce have grown since the late 1800s. This is likely the case because of the dynamism of the changing social games in relation to changing external conditions. Furthermore, I suggest that the institution's responsiveness and capabilities are, in large part, because legitimacy is maintained on the level of figurations of interdependent actors who form chambers of commerce and chamber affiliate organizations.

### **3.7. Conclusion**

As stated before, no institution looks as responsive and capable of traversing the changing American society as the noteworthy rise of U.S. chambers of commerce during the twentieth century. The institution is described as responsive as both the social games and the legitimated interests changed as external conditions changed. Indeed, in Michigan alone, the number of chambers of commerce grew from 10 chambers in 1900 to 213 chambers in 2010, a growth rate of 20,300 percent. The institution is described as

noteworthy because it was paramount in the development of communities of all sizes and today, represents both the largest business federation and PPP in the world.

During the first phase, roughly 1900 – 1940, chambers of commerce played a social game of creation. Business owners and the U.S. Chamber of Commerce had an interest in the social game, which was played in the largest cities. The unified interests of the business owners and U.S. Chamber of Commerce were industrial creation and protection.

During the second phase, roughly 1940 – 1980, chambers of commerce played a social game of development. Marked by the massive expansion of expressways and the potential this infrastructure brought to suburban communities, business owners of both large and some small organizations, the national and state level chambers of commerce, and chamber professional associations had an interest in the social game, which was now played both in the largest cities and expanding suburban communities. The unified interests of the social game represented economic vitality.

Finally, during the third phase, roughly 1980 – 2010, chambers of commerce played a social game of survival. In response to a declining economy and political divide, private, public, government, and non-profit organizations all had an interest in the social game. Their interests represented partnerships and collaborations, thus leading to the emergence of chamber affiliate organizations. During the third phase, the social game was played in urban, suburban, and rural communities alike, in addition to regional proximities for collaborations. In short, the institution of chambers of commerce, and the legitimated interests that chambers pursued were in direct response to the external conditions they faced.

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APPENDIX 2

Breakdown of Chamber of Commerce Data Set

National Level

6,936 Chambers  
of Commerce

230 Accredited  
Chambers of  
Commerce

State Level  
(Michigan)

Michigan Chamber of  
Commerce; Michigan Chamber  
Professionals Associations

Local Level

213 Chambers of  
Commerce

38 Members\*  
175 Non-Members

\* Members and Non-Members of the Michigan Chamber of Commerce

**Interests as Institutional Fiber:  
Figurations, Institutions, and Localized Contexts**

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Thesis Paper Three



**Interests as Institutional Fiber:  
Figurations, Institutions, and Localized Contexts**

**4.1. Abstract**

Much of neo-institutional theory suggests that actors' interests are institutionally determined through concentric views of society. In this paper, I challenge those views by suggesting that actors' interests are a constructed recognition and perceived significance of a social game. In this light, institutions are no longer deterministic structures separate from actors, but instead represent abstractions of interdependent actors. Illustrated through a pair of cases exploring the interests of chambers of commerce, I explore how interests link actors with social games and what it means to balance institutional expectations with localized contexts. To better explain institutions, I introduce the concept of institutional fiber – the connective tissue linking actors with both institutional expectations and localized contexts. Institutional fiber represents an actor's awareness, perceived significance, and participation in a number of social games and institutions.

**Interests as Institutional Fiber:  
Figurations, Institutions, and Localized Contexts**

#### **4.2. Introduction**

Modern actors are ongoing historical and cultural constructions where actors are viewed as an “authorized agent” for a variety of interests (Meyer & Jepperson, 2000). These ongoing historical and cultural constructions are theoretically represented through institutions (Meyer & Rowan, 1977), where recognized actors form interdependent configurations. Institutions are socially constructed, maintained and changed by the actors who act and interact within them (Barley, 2008: 496). Accordingly, interests represent the underlying meaning systems that bring interdependent actors together as they participate in institutional contexts (Suddaby & Greenwood, 2005).

The phenomenon of interests, in combination with modern actorhood, however, is oftentimes reduced to deterministic views of essentialism, where institutions determine the interests of actors (DiMaggio & Powell, 1983; Scott, 2001; Lounsbury, 2008). Views of institutional determinism suggest that each institution has a central interest or logic, which provides modern actors with taken-for-granted vocabularies of motive (Friedland & Alford, 2001). For example, “Firms pursue profits, agencies pursue larger budgets, political parties pursue votes, and research universities pursue publications” (Scott, 1987: 508). As a means to balance constructionist views of modern actorhood with views of institutional determinism, discussions of institutional change (DiMaggio, 1988), institutional plurality (Colomy, 1988), and the “paradox of embedded agency” (Seo & Creed, 2002) have been introduced.

In spite of these introductions, institutions are seemingly viewed more so as deterministic tangible structures and to a lesser degree as phenomenological abstractions,

as experienced by configurations of interdependent actors. However, if institutions are viewed as abstractions (Meyer & Rowan, 1977), then actors become socially “equipped” with legitimated interests and cognitive schema, balancing interests with institutionalized environments (Borum & Westenholz, 1995). Phenomenological views of institutions move beyond the limitations of basic concentric views of society. Actors are able to interpret institutional abstractions as they are experienced vis-à-vis their legitimated interests and, therefore, enact institutional expectations in creative ways to fit specific conditions (Zilber, 2009; Owen-Smith, 2011). In short, society is comprised of complex figurations of interdependent actors and institutions (Elias, 1978; Meyer & Jepperson, 2000).

Elias’s concept of figurations can be employed to explore the phenomenon of interests and the complexities of interdependent actors – institutions, organizations, and individuals – as actors participate in a number of social games<sup>5</sup> (Bourdieu, 1971; Elias, 1978; Bourdieu, 1984; Scott, 1995). Figurations represent social groupings of interdependent actors and can be applied to social games “to resist the socially conditioned pressure to split and polarize” interests and institutions (Elias, 1978), treating one or the other as “explanatory catchalls” (Jepperson & Meyer, 1991: 229). Social games illustrate multiple figurations of actors (Elias, 1978) and cannot be controlled by a single actor, but instead interweave the perspectives and interests of myriad actors into complex interdependencies.

To illustrate figurations within a social game, Elias (1978: 130) discusses four actors sitting at a table playing a game of cards. The actors form a figuration and their

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<sup>5</sup> Social games are synonymous for institutional fields (Bourdieu, 1971, 1984). Institutional fields, or social games, form “around specific issues that become important to the interest and objectives of a specific collective of organizations” (Hoffman, 1999: 352).

actions, therefore, become interdependent. The actors can speak of the game as an independent abstraction, for example “Isn’t the game slow tonight?” The course of actions taken within the game, however, as well as the referenced pace is a result of interdependent actions following a structured social game with rules and norms. “The ‘game’ is no more an abstraction than the ‘players’” within an interwoven structure that is a “flexible lattice-work of tensions” (Elias, 1978: 130). The figuration can only be understood through the rules of the social game of cards and the constant flux of the players, or actors, and their responses to other actors. Spectators can only understand the figuration and interpret its progress through the observed interdependencies of actors as the game progresses.

Central to an actor’s participation in multiple figurations and social games is the interests of the actor. To have an interest “is to be there, to participate, to admit that the game is worth playing and that the stakes created in and through the fact of playing are worth pursuing; it is to recognize the game and to recognize its stakes” (Bourdieu, 1998: 77). To be sure, by participating in various figurations, actors have an interest in that respective social game.

Actors’ interests in specific social games stem from their ongoing historical and cultural constructions (Meyer & Jepperson, 2000), where actors’ socially constructed experiences provide the actor with a “feel” for certain social games (Bourdieu, 1998: 77). These constructions represent an actor’s “system of lasting and transposable dispositions which, integrating past experiences, functions at every moment as a matrix of perceptions, appreciations, and actions” (Bourdieu, 1977: 95). Interests in specific social

games provide meaning by which the actor acts upon. This complexity, however, is all but lost in neo-institutional discussions today.

This paper, therefore, combines Bourdieu's (1998) and Elias's (1978) sociology of figurations, social games, and interests with Meyer & Jepperson's (2000) phenomenology of modern actorhood to better understand the phenomenon of interests within complex institutional spaces. Specifically, I aim to address the following research questions. First, how do interests link legitimated actors with specific social games? And second, what does it mean to be a legitimated actor and balance institutional expectations with localized contexts through social games?

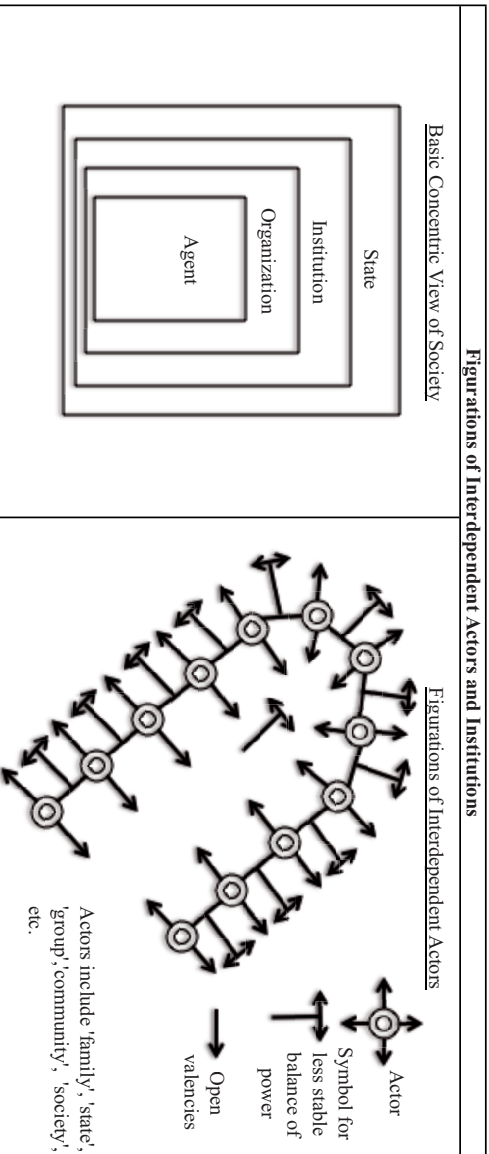
#### **4.2.1. A Brief Summary of Concepts**

Under the predominate conceptualizations of social life today, commitments to a variety of social games are theorized through concentric views of society. Concentric views of society, however, illustrate the modern actor as being surrounded by a hierarchy of social structures (Elias, 1978). This view of society is problematic because the actor is viewed as separate from other social structures by failing to capture the linkages between the actor and institutional expectations. Concentric views give the impression that society is made up of structures external to actors. More specifically, concentric views suggest that powerful actors determine institutional expectations and control legitimated actors within a respective institution, which in turn works to control the actions of those actors. However, viewing institutions as abstractions instead of tangible actors in and of themselves (Zilber, 2009; Owen-Smith, 2011), suggests a need for a deeper understanding of relationships between actors and institutional expectations.

Figurations conceptualize society through interdependencies, balancing how actors construct and pursue both their interests and institutionalized expectations through commitments to a variety of social games. Actors “make up interdependent webs of interdependencies or figurations of many kinds, characterized by power balances of many sorts (Elias, 1978: 15).” Power balances are significant relative to interdependencies between actors (Elias, 1978). Within the neo-institutional perspective, it is suggested that the most powerful actors determine the rules of the game and which actors become legitimated (DiMaggio & Powell, 1983; Jepperson & Meyer, 1991). Within figurations, power balances are negotiated through social games. Social games, which include innumerable figurations of interdependent actors, similarly to institutional fields (Hoffman, 1999), bring actors together in social spaces because each actor has an interest in the social game. These interdependencies, however, play out through the rules and norms of the social game as actors navigate figurations. The interests of actors are oftentimes observable through actors’ recognition and creation of formalized figurations to participate in the social game. For example, many public organizations develop centers and institutes with specific focuses. These centers and institutes represent figurations of interdependent actors to participate in social games, and their very existence represents an observable interest of the actor, in this case, the public organization. Moreover, by developing and maintaining these centers and institutes, these public organizations are participating as legitimated actors (Meyer & Rowan, 1977) as perceived by broader stakeholders.

Figure 2 illustrates the main differences between basic concentric views of actorhood and more dynamic figurations of interdependent actors. The key construct

FIGURE 2  
Figurations of Interdependent Actors and Institutions



Adapted from Elias (1978: 14-15)

captured in Figure 2 is the centrality of interdependent relationships, where actors – institutions, organizations, and agents alike – are characterized through these relationships. Organizations are understood through their interdependent relationships, or figurations, with other organizations, which are representative of the organization’s interests. Conversely from concentric views where organizations have boundaries, figurations represent organizations through their ongoing construction of interests, and thus, the figurations and social games they participate in. In short, by viewing organizations as the aggregate of the figurations they participate in, an organization is an abstraction of its interests.

On a macro-level, social games equally represent abstractions of a number of figurations that actors participate in to play a specific social game. In this light, social games are understood through the figurations of interdependent actors that comprise the overall game. Moreover, social games as abstractions are articulated as such through the experiences of the actors. Figurations of interdependent actors span to a societal level as well, where society is understood as an abstraction of a complex web of social games, and the figurations within these social games, that comprise it. In short, Elias’s (1978) conceptualization of figurations represents an interwoven latticework of interdependent relationships at a number of levels of analysis.

### **4.3. RESEARCH DESIGN**

#### **4.3.1. Chambers of Commerce as a Context**

Chambers of commerce emerged in the United States during the late 1800s as membership driven “associations of business men (or women) for the purpose of furthering their interests (Friedman, 1947)...” (Costain & Costain, 1981; Ray &



Mickelson, 1990; Brown, 1997; Ridings, 2001; Johnston & Mahra, 2002). Chambers of commerce traditionally operated as liaisons between businesses and community residents, while representing diverse lines of industry (Brown, 1922; McCullough, 1928). Under this traditional view, chambers of commerce were viewed as a “good ol’ boys” club (Schumaker & Bileaux, 1978; Durant, 2011).

The social games played within the institution of chambers of commerce, however, have changed since the late 1800s. Consequently, chambers of commerce operate much differently than originally defined. Beginning around the turn of the twentieth century and continuing through 1940, chambers of commerce brought together regional business owners to pursue their utility through the development of regional industries. These games were played in the largest cities and predominantly by regional business owners, as well as the U.S. Chamber of Commerce. The focus of these social games at the time reflected interests in industrial creation and protection.

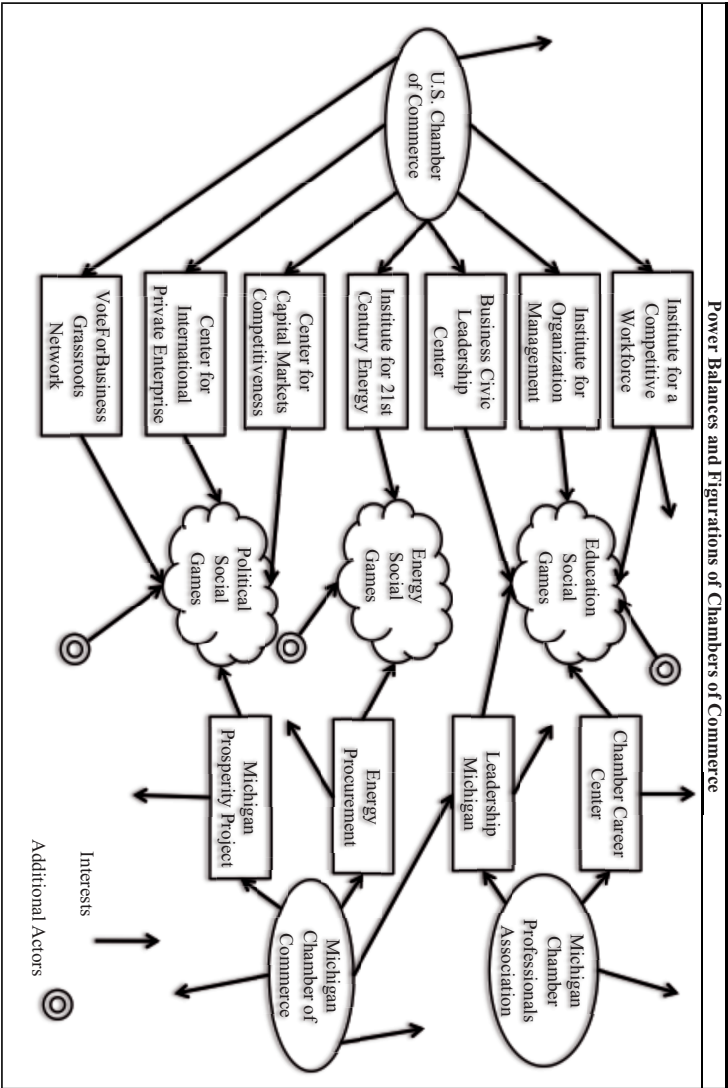
Beginning in 1940 and continuing through 1980, the social game changed to embody a game of development. Spurred by the widespread development of the interstate highway system throughout the United States – indeed, creating a number of expansive opportunities for suburban communities, the social games were played by figurations of regional business owners, the U.S. Chamber of Commerce, state-level chambers of commerce, and chamber professionals associations. The playing fields expanded beyond the largest cities to also include growing suburban communities. The focus of these social games largely reflected interests in economic vitality.

The second phase between 1940 and 1980 also witnessed both the development and expansion of powerful actors within the institution of chambers of commerce. On

the national level, the U.S. Chamber of Commerce, which seeks to “advance human progress through an economic, political and social system based on individual freedom, incentive, initiative, opportunity, and responsibility” (U.S. Chamber of Commerce, 2011), implemented an accreditation program with the rights and privileges of providing local chambers of commerce with a stamp of approval. On the state level, a number of state chambers of commerce were created. For example, The Michigan Chamber of Commerce, which is one of only four state chambers that are accredited by the U.S. Chamber of Commerce, creates and maintains institutional expectations by promoting “conditions favorable to job creation and business growth” (Michigan Chamber, 2011). Continually voted Michigan’s most effective and powerful lobbying organization since 1987, the Michigan Chamber of Commerce is credited as the most successful advocacy group with its primary function as “standing up for job providers in the legislative, political, and legal processes.” Also on the state level, the Michigan Chamber Professionals Association promotes “excellence in Michigan chambers of commerce through: organizational support for chambers of commerce, continuing education and professional development for chamber executives and staff, promotion of chambers of commerce as an industry and profession, and best practices and innovation models” (Association of Chamber Professionals, 2010).

These powerful actors – U.S. Chamber of Commerce, state level chambers of commerce, and chamber professional associations – participate in a number of figurations through intra-organizational centers and institutes. Figure 3 illustrates an example of organizational interests and how these interests represent an organization’s recognition and participation in various figurations and thus, social games. The open interests

FIGURE 3  
Power Balances and Figurations of Chambers of Commerce



represent that each organization participates in social games beyond what has traditionally been theorized through overly deterministic neo-institutional perspectives (DiMaggio & Powell, 1983; Friedland & Alford, 1991). Additional actors represent the myriad actors, including local chambers of commerce among others that participate in social games to help form interdependencies of actors. These actors stem not only from chambers of commerce, but also from any actor that has an interest in the social game. Indeed, as the memberships of chambers of commerce have expanded throughout the twentieth century, the actors that have an interest in the social games traditionally discussed, in relation to chambers of commerce, have grown significantly.

The social game changed again in 1980 to a game of survival, which has continued to present day. The players expanded to include public, private, non-profit, and government organizations, as well as chamber affiliate organizations, in addition to the previous players. The playing field expanded too, now including urban, suburban, and rural communities, in addition to regional proximities for chamber affiliate organizations. Chamber affiliate organizations represent partnerships between multiple chambers of commerce or spin-offs with the continued support of chambers of commerce. Figurations of actors within these social games broadly focused on partnerships and collaborations. Today, accredited chambers of commerce represent both the largest business federation (U.S. Chamber of Commerce, 2011) and public-private partnership in the world, representing over three million businesses from all sectors and sizes.

### 4.3.2. Methods

Chambers of commerce provide an intriguing context to study because they represent an aging organizational actor that has successfully adapted to external conditions to survive, illustrated throughout the three phases of their development. Existing research (see Marando, 1974 for example) has viewed chambers of commerce as supporting change of governmental organizations, however, has ignored how external conditions impact chambers of commerce as actors and how they participate in social games. Specifically for this paper, I chose to explore a pair of cases. First, I explored the figurations, interests and social games of the Detroit Board of Commerce during the 1920s when the social game broadly represented a focus on industrial creation and protection. Second, I explored a cluster of regional chambers of commerce in West Michigan during the beginning of the twenty-first century, specifically the dynamism in figurations the cluster participated in as a creative means to pursue their interests.

I used review methods to collect data from several sources including: strategic plans, annual reports, podcasts, membership surveys and results, mission and vision statements, historical print and photograph archives, chamber publications, leadership teams including staff and board of director directories, and documents detailing community events, membership activities, and partnerships. Printed data, excluding historical print and photograph archives, were imported into NVivo, including 421 pages. Chamber podcasts were also imported including 67 podcasts equating to 603 minutes of video. My analysis began with a close reading and viewing of the data, looking for themes and trends in the data relative to my research questions. I then followed Strauss and Corbin's (1990) three-step coding, moving from an interpretive process of breaking

data into figurations and social games and then systematically making connections between figurations and social games and broader organizational interests. As for the historical print and photograph archives that were not imported into NVivo due to their undigitized format, I reviewed the archives on multiple occasions with a critical eye, scanning for detailed descriptions of actor interests and figurations that actors participated in.

For the Detroit Board of Commerce case, I compiled data to illustrate the linkages between the board of directors and figurations participated in. This data included detailed biographies of each board of director, including industrial experience, volunteerism, and roles within the board of commerce. I then organized this data to illustrate the linkages connecting individual directors, the board of commerce, and regional industries together. For both the Detroit Board of Commerce and West Michigan Chamber Cluster cases, I coded the data that was imported into NVivo to account for the various interests of each chamber of commerce and chamber affiliate organization. I then imported these codes into word cloud software to create illustrative representations of each organizations interests. The word cloud software counts the number of times each interest was coded, which then translates to the prominence of the interest within the word cloud. The prominence of each interest within each word cloud represents the interest only within the respective organization and does not consider the number or frequency of each code in relation to other word clouds. These word clouds included lists of the frequency of each interest as it was coded in my analysis.

#### 4.4. RESULTS

Chambers of commerce, from their very origin, emerged as organizations to pursue member interests. The means of how member interests were pursued and thus, the actorhood of chambers of commerce, have changed. Between the late 1800s and 1940, the organizational interests and consequently, the social games played by chambers of commerce focused on industrial creation and protection. As a result, chambers of commerce widely adopted a committee and sub-committee structure, where each committee and sub-committee was focused on different interests and participated as an actor in different figurations. Furthermore, these chambers of commerce also leveraged powerful captains of industry as agents to position the chamber within specific industries. These relationships with powerful industrial executives were reciprocally beneficial, as it opened the resources of the chamber of commerce to the executive and the industry the executive represented. The result of this was a chamber of commerce that embedded itself, as an organization, in a number of figurations as a means to pursue industrial creation and protection.

Today, although the use of committees and sub-committees is still central to chambers of commerce as organizations, the means of how interests are pursued is done more so on the organizational level. More specifically, chamber affiliate organizations have emerged as inter-chamber partnerships, allowing these affiliate organizations to pursue specific interests. The roles of captains of industry has been suppressed, and thus, so too has the power of individual agents. In short, chambers of commerce today are communal, with partnerships being the central means to develop power and pursue organizational interests.

#### **4.4.1. Case 1 – Detroit Board of Commerce**

The progressive movement was alive and well in Detroit during the beginning of the twentieth century. The progressive movement in Detroit was largely reflective of “traditional upper-class leadership” (Rubenstein & Ziewacz, 2008: 207). It is no coincidence that many of these upper-class leaders served on the board of directors, or at a minimum were part of the membership of the Detroit Board of Commerce. Symbolic of the progressive movement in Detroit, the board of commerce reorganized in 1912.

The reorganization enabled the board of commerce’s ability to pursue industrial creation and protection in a number of ways. To begin, the board of commerce focused many of its efforts on attracting and retaining prominent regional executives to serve on the board of directors. From the perspective of these executives, those who chose to serve found an interest in the board of commerce because the board was focused on the same regional industries that these executives were a part of. Moreover, the Detroit Board of Trade had a membership of over 2,400 in 1912, making the board a powerful regional actor. Serving as a director brought instant legitimacy to already powerful executives through the formalized hierarchy resulting from the re-organization.

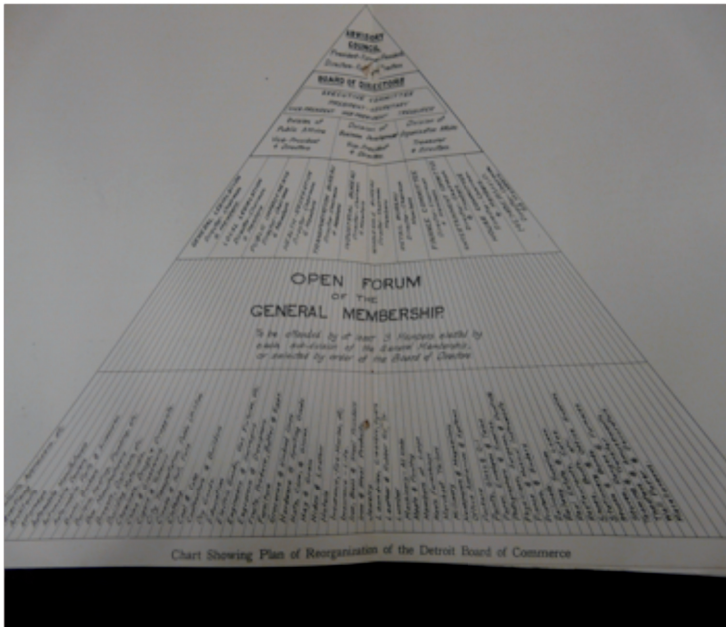
In addition to the central role of the directors, the reorganization of the Detroit Board of Commerce also formalized a significant number of committees, an open forum for the general membership, and categories of membership where members with similar interests would become interdependent. By formally naming each of these bureaus, committees, and sub-areas of the general membership, the board of commerce created figurations of actors with similar interests to collaborate together – indeed, increasing their power as the bureaus, committees, and sub-areas participated in social games



outside the board of commerce. Exhibit 10 illustrates the Detroit Board of Commerce's reorganization as it was published in *The Detroider* in 1912.

### EXHIBIT 10

#### Reorganization of the Detroit Board of Commerce



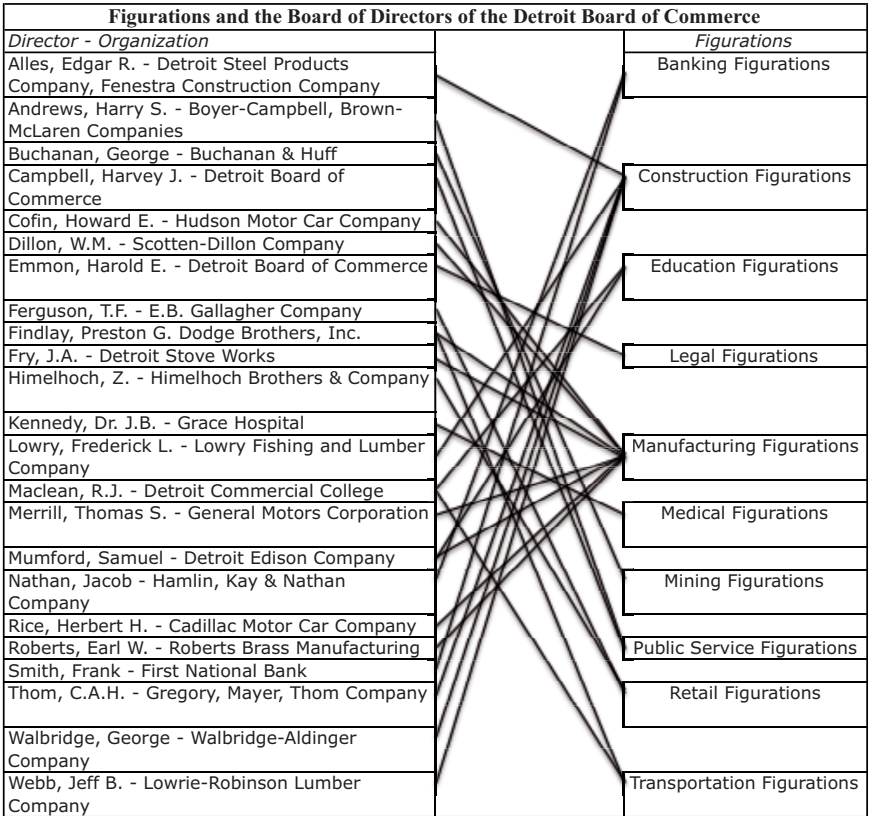
The reorganization of the Detroit Board of Commerce as published in *The Detroider* (1912: Vol. 2, No. 16)

From the Detroit Board of Commerce's perspective, the reorganization enabled a more formal inclusion of powerful industrial executives as directors of the board of commerce. By doing so, the chamber as an association of business owners, internalized the powerful industrial and regional executives as decision makers within the organizational hierarchy. The inclusion and collaboration of these executives, whom represented important regional industries, assisted in the board's participation in

figurations and various social games and its pursuit of industrial creation and protection. As the Detroit Board of Commerce participated in various social games, the directors represented some of the most powerful actors within those social games. The formalized structure of the Detroit Board of Commerce, therefore, was reorganized to balance both the institutional expectations of operating as a chamber of commerce and the regional demands of pursuing industrial creation and protection.

Figure 4 illustrates the personnel of the board of directors, the social games they participate in, and how these directors link the board of commerce to a number of social games throughout various industries. The figurations that each director participates in represents a broader social game, and consequently interest, that the director has a recognition and perceived importance in playing. The interests of the board of directors as a whole are represented through the interest map, including coding results detailing the number of directors that played each social game. A number of directors played multiple social games as they participated in figurations spanning those games. The code counts stem from detailed biographies of each director from my analysis of the chamber's archives. The interest map clearly points out that business interests were a primary focus of the board of directors, while community and education interests were secondary

FIGURE 4



Detroit Board of Commerce

Education Community  
**Business**

Code Counts  
 Business: 19  
 Community: 3  
 Education: 2

#### 4.4.2. Case 2 – West Michigan Chamber Cluster

External conditions leave an imprint on organizations and institutions (Marquis & Huang, 2010) because legitimated actorhood is representative of abstract institutional expectations through the lens of current external conditions. In 1966, Michigan's gross product was exceeded by only 10 countries in the world (Rubenstein & Ziewacz, 2010). During the beginning of the twenty-first century, however, Michigan's economy was in decline. Michigan's gross product ranked 21<sup>st</sup> among U.S. states in 2000 and fell to 42<sup>nd</sup> in 2010. Nearly 50% of college and university graduates left Michigan to pursue careers in states with stronger job prospects. Michigan's unemployment grew from slightly below 3% in 2000 to 14.6% in 2009. Widespread political dissatisfaction plagued the state between 2000 and 2010, with approval ratings of state officials ranging between 30% and 40% (Rubenstein & Ziewacz, 2010). In short, Michigan was struggling and the state's chambers of commerce, whom were once focused on pursuing economic vitality in the 1960s, were operating under very different external conditions.

Second only to the metropolitan Detroit region, West Michigan represented one of the state's most populated regions. The West Michigan region included Grand Rapids, which, according to the 2010 census, was the second largest city in Michigan, Muskegon, Holland, and a number of smaller municipalities, with an overall population of 1,321,557 people in 2010. The West Michigan Chamber Cluster<sup>6</sup> included seven of the region's chambers of commerce and chamber affiliate organizations. Four of these organizations were chambers of commerce, including the Grand Rapids Area Chamber of Commerce, the Muskegon Area Chamber of Commerce, the Holland Area Chamber of Commerce,

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<sup>6</sup> The West Michigan Chamber Cluster represents the region's chambers of commerce and chamber affiliate organizations as they collaborate together. The West Michigan Chamber Cluster is an abstraction of this collaboration for the purpose of this study and is not a formalized organization in and of itself.

and The Chamber: Grand Haven, Spring Lake, and Ferrysburg. These four chambers had a clear interaction with the institution of chambers of commerce, evident through accreditations from the U.S. Chamber of Commerce, accolades and awards from the Michigan Chamber of Commerce, and mutually shared directors serving on multiple boards. The three additional organizations comprising the chamber cluster included chamber affiliate organizations that were formalized through the collaboration of the four regional chambers of commerce. These chamber affiliate organizations included the West Michigan Chamber Coalition, the West Michigan Strategic Alliance, and The Right Place.

The creation of these chamber affiliate organizations represented strategies to respond to external conditions, while also meeting institutional expectations. For example, in 2000, the chambers of commerce partnered with other regional organizations to form the West Michigan Strategic Alliance, “fostering partnerships that identify and take action on critical issues focused on sustainability and quality of life.” One example of the West Michigan Strategic Alliance’s successful execution of its mission included the program Literacy to Work, which was created in 2010. Literacy to Work helped educate people for cutting edge jobs and aimed to reduce the growing problem of unemployment through the West Michigan region. Literacy to Work was financially supported by a large corporate partner, however, was largely a response to the success of another chamber affiliate organization, The Right Place. Literacy to Work was designed to provide the training necessary to fill the 5,996 regional jobs that The Right Place had either created or retained in 2009 and 2010. In addition to addressing unemployment issues, The Right Place successfully attracted \$366,264,908 in capital investments and

\$213,211,346 in new payroll, through a partnership of 2,694 organizations throughout West Michigan.

The third chamber affiliate organization included the West Michigan Chamber Coalition, a partnership between the four regional chambers of commerce to directly pursue legislative and political interests through collaborative efforts. The participation of chambers of commerce in legislative and political games dates back to the emergence of chambers in the late 1800s. However, participation through collaboration of regional chambers of commerce emerged during the end of the twentieth and beginning of the twenty-first centuries. As example, the West Michigan Chamber Coalition pursues “action and advocacy issues that affect the business community at the local, state, and national levels” and works to educate “member of governmental activities, legislation and regulation affecting the entire region.”

The creation of the West Michigan Chamber Coalition, the West Michigan Strategic Alliance, and The Right Place were responses, by the chamber cluster, to Michigan’s challenging economic and political climates through a novel strategy of creating regional figurations for participating in social games. This strategy included: (1) the development of chamber affiliate organizations through collaborations and partnerships, (2) the division of organizational interests between the chambers of commerce and the chamber affiliate organizations, and (3) the wherewithal to empower each organization, within the chamber cluster, to pursue specific interests through respective social games.

The creation of chamber affiliate organizations represented a strategy to proactively pursue legitimated interests in innovative ways (Rainey & Kline, 1979),

where the chamber cluster's varying interests coexist in a collective strategy (Harris, 2011). The result of this collective strategy was a legitimated actor, the West Michigan Chamber Cluster, with the power and legitimacy to pursue a more comprehensive view of regionalism. By creating chamber affiliate organizations, the chamber cluster developed and participated in social games responding to timely external conditions.

Institutionalized frameworks that embrace collaborations and partnerships, such as chambers of commerce, provided the scaffolding for the development of chamber affiliate organizations. Consequently, the chamber cluster balanced institutional expectations with local external conditions to shape the interests of each of the cluster's organizations and the pursuit of those interests.

Figure 5 includes interest maps of each of the four chambers of commerce and three chamber affiliate organizations within the chamber cluster. The size of the interests, as they appear in the word cloud, represents the frequency the interest was coded. The interest maps illustrate a chamber-level focus on community development through homogeneity in the interests of each chamber of commerce. This homogeneity of organizational interests suggests that, with a social game of survival, a focus on community development has emerged as the norm. The chamber affiliate organizations, on the other hand, represent heterogeneity of interests through a specialized focus of each chamber affiliate organization as they represent legislative pursuits, regional sustainability, and economic vitality, respectfully. These interest maps, however, tell a deeper story about the role of interests in relation to how chambers of commerce play a social game of survival. Case in point, the interest maps illustrate that chamber affiliate organizations emerged as a strategy to pursue interests on a regional level to participate in

FIGURE 5

West Michigan Chamber Cluster Interest Maps	
<u>Grand Rapids Area Chamber of Commerce</u>	<u>Muskegon Chamber of Commerce</u>
<u>Code Counts</u> Collaboration: 7      Leadership: 16 Community: 71      Legislative: 25 Diversity: 26      Membership: 8 Health/Wellness: 14      Sustainability: 7	<u>Code Counts</u> Community: 66      Innovation: 9 Diversity: 14      Legislative: 10 Education: 6      Sustainability: 7 Entrepreneurship: 20      Technology: 8 Health/Wellness: 13
<u>Holland Area Chamber of Commerce</u>	<u>The Chamber: Grand Haven, Spring Lake, Perrysburg</u>
<u>Code Counts</u> Business: 15      Health/Wellness: 6 Community: 55      Leadership: 10 Diversity: 17      Legislative: 9 Education: 16	<u>Code Counts</u> Community: 37      Legislative: 7 Diversity: 6      Membership: 11 Education: 19      Tourism: 10 Leadership: 5
<u>West Michigan Chamber Coalition</u>	<u>West Michigan Strategic Alliance</u>
<u>Code Counts</u> Collaboration: 31      Leadership: 8 Diversity: 11      Legislative: 84 Economic Development: 13 Energy: 13	<u>Code Counts</u> Collaboration: 52      Sustainability: 21 Economic Development: 9 Education: 18 Leadership: 8
<u>The Right Place</u>	
<u>Code Counts</u> Diversity: 57      Innovation: 52 Economic Development: 33      Regionalism: 34 Energy: 72      Sustainability: 9 Entrepreneurship: 26	



specific figurations by way of regionalized actors. Chamber affiliate organizations represent a new type of actor that emerged as the broader institutional social game changed to survival. Moreover, differences between chambers of commerce and chamber affiliate organizations that are observed in the interest maps suggest that the emergence of chamber affiliate organizations has, in reality, reshaped the interests of each organization

#### **4.5. DISCUSSION**

Institutions are abstract constructions through the interests of interdependent modern actors. This is contrary to deterministic views of institutions (DiMaggio & Powell, 1983; Friedland & Alford, 1991), where institutions are conceptualized as tangible structures that determine actors' interests through institutional logics. To better understand the complexities of institutions as abstract constructions, I focused on the phenomenon of interests, which has been linked to the meaning systems buttressing institutions (Suddaby & Greenwood, 2005). Specifically, I aimed to better understand (1) how interests link legitimated actors with specific social games and (2) what it means to be a legitimated actor and balance institutionalized expectations with localized contexts through social games.

Before I address each research question in detail, it is important to discuss what each of the two cases presented in this paper teach us about the phenomenon of interests. Actors and their interests represent ongoing social constructions through actors' experiences and interactions. Moreover, modern actors are complex as their interests increase through ongoing constructions. In short, modern actors are viewed as an "authorized agent" for a variety of interests (Meyer & Jepperson, 2000) as they

participate in a number of social games. The interests of actors are empirically observable by analyzing the social games the actors participate in. Illustrated through the Detroit Board of Commerce and the West Michigan Chamber Cluster, chambers of commerce commonly create formalized committees and sub-committees within the chamber as a means to participate in a variety of social games. The actor's recognition and participation in social games, according to Bourdieu (1998), represents their interest in the social games.

Captured through the interest maps of Figure 4 and Figure 5, the interests of the board of directors were quite different than the interests of the chamber cluster. These differences teach us more about each of these social games played by chambers of commerce. In the case of the Detroit Board of Commerce, the interests of the board were illustrated by the figurations that each board of director participated in. Moreover, these interdependent relationships stemmed from individual actors and the unification of these actors. In the case of the West Michigan Chamber Cluster, however, the interests of the chambers of commerce, as they had continued to develop throughout the twentieth century, now represented the figurations that each chamber participated in. These interdependent relationships represented the interests of the organization, not individual directors. The interests of individual directors and member organizations of the chambers of commerce and chamber affiliate organizations were lost as they were embedded as part of the organization.

The two cases also illustrate that interests are a malleable phenomenon. As the external conditions of Michigan changed, so did the social games that chambers of commerce and chamber affiliate organizations participated in. The changing social

games, however, did not necessarily represent conscious and rational pursuits of different interests, but instead abstract recognitions and needs as the chambers of commerce experienced Michigan's changing external conditions. For example, between the late 1800s and 1940, the social game represented industrial creation and protection, which was a direct result of the emergence of regional industries as cities began to grow. The social game changed between 1940 and 1980 to embody a social game of economic vitality, as the suburban communities of Michigan grew because of large capital investments in the state's freeway system. As chambers of commerce developed in these suburban communities, they worked to shape their respective communities to succeed during the present, as well as position the communities for continued economic vitality. Finally, between 1980 and 2010, the social game changed to embody survival. This was a clear representation of the changing economic and political landscape, which included economic digression and high levels of political dissatisfaction. The changing interests of the chambers of commerce represent the changing ways that chambers worked to meet both their organizational interests and institutional expectations through participation in a variety of social games.

The cases also illustrate that interests span multiple levels of analysis. Individual actors have socially constructed interests and, consequently, recognize and have a perceived significance of specific social games. The Detroit Board of Commerce illustrated individual actorhood and interests through the board of directors. Each director represented specific industries through the board of commerce. The inclusion of each director also enabled the board of commerce to work to develop these industries and pursue the institutional norm of industrial creation and protection. Each director's

participation on the board further legitimated the director as a captain of industry within their respective industry.

Organizations, as a second level of actorhood, also have socially constructed interests. Illustrated by the various institutes and bureaus of the chambers of commerce, the chambers had interests and pursued those interests through a variety of figurations and social games. Finally, the abstraction of what it means to operate as a chamber of commerce included social games that were generalized in each historical phase. These ongoing historical constructions represent social games that became institutionalized as chambers of commerce operated within changing external conditions. Consequently, these cases support that interests represent the underlying meaning system on the institutional level, as suggested by Suddaby and Greenwood (2005)

#### **4.5.1. Interests as Institutional Fiber**

Presented through figurations and social games (Elias, 1978), modern actors and their complexities cannot adequately be discussed through concentric views of society. These concentric views fall short of being able to understand how actors balance institutional expectations with localized contexts. Illustrated through the Detroit Board of Commerce and the West Michigan Chamber Coalition, concentric views cannot explain the various phases of chambers of commerce as they engage with external conditions, the participation of chambers of commerce in a number of social games, and the creation of chamber affiliate organizations as a strategy of survival. Interests, as a phenomenon, have been discussed to illustrate the complexities of social life through figurations and social games. However, the extant literature does not successfully explain how actors are linked to social games or how actors balance institutional expectations with localized

contexts. Neo-institutional theory suggests that institutional logics and the plurality of logics link actors with institutions. However, as discussed throughout this paper, institutional logics approach a concentric society through overly deterministic views.

There is a need, therefore, to introduce a concept to better understand how actors balance institutional expectations with their localized contexts. In this paper, I present Bourdieu's (1998) conceptualization of interests as a recognition and perceived importance of a specific social game of interdependent actors. As actors participate in various social games, the interests of the actor and 'rules of the game' become internalized and the actor works to protect these constructions. Interests, in this light, function as institutional fiber – the connective tissue linking actors with both institutional expectations and localized contexts. Institutional fiber represents the actor's awareness, perceived significance and participation in a number of social games and institutions.

Institutional fiber, as a concept, provides a number of benefits to study the complexities of actorhood in everyday institutional life. Table 5 illustrates the variations of the phenomenon of interests when comparing concentric views of society with figurations, social games, and institutional fiber. First, institutional fiber presents an alternative perspective to the recently revived structure-agency debates (Seo & Creed, 2002). Institutional fiber illustrates an interdependent society where actors participate in social games with rules and norms, while also leaving room for localized social games and the interactions that help shape the actor's interests and means to pursue those interests. Institutional fiber presents a view of society that dismisses the notion that powerful spheres determine the interests and consequently, the actions of actors that exist within these concentric spheres. On the contrary, institutional fiber suggests that actors

participate in interdependent social games, where power still exists through negotiations within the social games, however, where actors and institutions are interdependent with one another. The structure-agency debates are reduced because institutions as tangible formalized structures do not exist. Institutions exist as abstractions conceived through the ongoing historical and cultural constructions of actors.

**TABLE 5**

<b>Comparing Concentric Views with Figurations and Social Games</b>		
	<b>Concentric Views of Society</b>	<b>Figurations and Social Games</b>
<b>Origin of Interests</b>	Powerful actors determine which interests become legitimated; Organization's interests are institutionally determined	Socially constructed through perceived importance of and participation in figurations and social games
<b>Function of Interests</b>	Pursuit of objectives as determined by the institution	Determines figuration and social game participation
<b>Singularity/Plurality of Interests</b>	Singular interests in relation to organization's identity	Number of interests determined through ongoing social constructions
<b>Rationalization of Interests</b>	Rational pursuits	Phenomenologically experienced with the articulation of interests occurring ex-post of figuration and social game participation
<b>Power Dynamics</b>	Determined by location within the field	Negotiated through interactions with institutional expectations and actor's localized context
<b>Institution and Actor Ties</b>	Predetermined taken-for-granted connections stemming from institutional logics	Connective tissue as the actor enacts institutional expectations in locally appropriate ways

Second, institutional fiber represents a less essentialist, rational, and calculative approach to the phenomenon of interests and the roles that interests play for modern actors. Instead, institutional fiber views interests as collective, associative, and constructionist. Actors have interests because they recognize that certain social games are worth playing. The actor's participation in those social games represents their interests, instead of a perpetual pursuit of interests that are determined through concentric views of society. Institutional fiber, therefore, links the actor's recognition of social

games, their interdependent participation in those social games – indeed, games with rules and norms – and how external conditions impact actorhood. Beyond the conceptualization of institutional fiber, it also serves as an analytical tool to explore the complexities of institutions, while also taking into consideration actors and their socially constructed interests on various levels of analysis. One explanation for the dearth of empirical studies that explore the phenomenon of interests in institutions is that scholars have fallen short of having a conceptual framework for understanding what it means to have an interest and how interests link actors with both institutional expectations and external conditions.

And third, institutional fiber better explains both institutional persistence and change because linkages are viewed through actor interests, which are malleable. Institutions are never frozen (Greenwood & Suddaby, 2006) because institutions are socially constructed, maintained, and changed by the actors who act and interact within them (Barley, 2008: 496). Organizations identify with specific institutional expectations, however, enact those expectations in locally appropriate ways, as the actor exists within regionally unique external conditions. Illustrated in both cases, chambers of commerce as an organizational archetype carried institutional expectations through broadly defined social games. Each chamber of commerce worked to enact these expectations to participate in the broad social games that are institutionally defined, while also recognizing localized demands. Case in point, the Grand Rapids Chamber Cluster decoupled its interests through collaborative efforts and the creation of chamber affiliate organizations as a means to participate in an institutionally constructed social game of survival, while also working to better represent West Michigan as a region.

#### **4.5.2. Limitations and Future Research**

This paper has a number of core limitations and assumptions. First, the empirical analysis is limited to a pair of case studies exploring chambers of commerce during two different phases. Consequently, there are inherent limitations in generalizability. Moreover, the cases explore the phenomenon of interests in chambers of commerce, a context developed around the pursuit of interests. I do, however, hold strong that the roles of interests are much more complex and interdependent in other contexts than generally theorized in institutional studies. Second, the concept of institutional fiber is conceptually developed and supported by both cases, therefore, providing both a foundation for its development and many opportunities for future studies to continue to refine institutional fiber as a concept. At the same time, I do recognize that my view of interests is through a constructivist and phenomenological lens, which has an inherent impact on the roles, malleability, and levels of analysis of interests as institutional fiber.

Also, this paper intentionally does not reference network theory or stakeholder theory. I am focused on the phenomenon of interests and the roles of interests as institutional fiber and not the networked relationships between organizations. Interdependencies, instead, represent how actors pursue their interests. Moreover, this is not a discussion of stakeholder theory because I do not suggest that my analysis embodies all of the relevant stakeholders. Figurations represent interdependent relationships between actors, not how an organization or action influences or is influenced by a number of stakeholders.



### 4.5.3. Conclusion

Much of institutional theory suggests that actors' interests are institutionally determined through concentric views of society. In this paper, I challenge those views by suggesting that actors' interests are a constructed recognition and perceived significance of a social game. In this light, institutions are no longer deterministic structures separate from actors, but instead represent abstractions of interdependent actors. Interdependent actors interact through figurations, which exist within broader social games with rules and norms.

Illustrated through a pair of cases exploring the interests of chambers of commerce, I explore how interests link actors with social games and what it means to balance institutional expectations with localized contexts. The Detroit Board of Commerce leveraged the roles of prominent industrial executives and directors as a means to pursue industrial creation and protection. The West Michigan Chamber Cluster worked to collaborate four regional chambers of commerce, while creating three chamber affiliate organizations, which stemmed from the regional collaborations. The result was four chambers of commerce that pursued community development and three chamber affiliate organizations that pursued interests in legislative action, sustainability, and economic vitality respectfully. The strategy of the West Michigan Chamber Cluster represented a means to play the social game of survival.

To address how interests link legitimated actors with specific social games and what it means to be a legitimated actor and balance institutional expectations with localized contexts through social games, I introduce the concept of institutional fiber – the connective tissue linking actors with both institutional expectations and localized

contexts. Institutional fiber represents actors' awareness, perceived significance and participation in a number of social games and institutions.

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**An Ethnography of Interests in Institutional Leadership:  
Organizational Change in a Chamber of Commerce**

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Thesis Paper Four

**An Ethnography of Interests in Institutional Leadership:  
Organizational Change in a Chamber of Commerce**

**5.1. Abstract**

This study aimed to better understand the roles of interests in institutional leadership because the literature falls short of understanding the phenomenon of interests as it relates organizational change. This ethnography explores a local chamber of commerce and how the interests of the chamber were re-shaped to embody community survival. We suggest that interests represent an actor's awareness, perceived importance, and participation in various figurations. The implications of this conceptualization is discussed in relation to how institutional leaders come to desire alternative organizational values and interests, under what conditions institutional leaders become empowered, and the roles of institutional leaders in the propagation of new values and interests.

**An Ethnography of Interests in Institutional Leadership:  
Organizational Change in a Chamber of Commerce**

“Human actions are propelled forward by interests, like a train at full speed – but in a direction that the switchmen decide” (Swedberg, 2005b: 69; paraphrasing Weber [1920] 1946: 280).

## **5.2 Introduction**

Institutional leaders are agents of institutionalization that make “character defining commitments” to promote and protect the values of an organization (Selznick, 1957: 27). Indeed, as suggested by Selznick (1957: 17), the process of institutionalization represents the infusion of values into an organization. The values of an organization that become institutionalized normatively reflect the integrity of both the organization and the organization’s leadership.

In his seminal work, *Leadership in Administration* (1957), Selznick introduced the concept of institutional leadership in order to include values and interests into discussions of institutions for a pair of reasons (Washington, Boal & Davis, 2008). First, Selznick defined institutions as organizations infused with values spanning beyond technical requirements. Second, Selznick suggested the central role of an organization’s leadership as institutional leaders making long-term commitments to values. In this sense, institutional leaders promote and protect values, which is contrary to interpersonal leaders who manage people (Selznick, 1957).

Interests, which played a central role throughout the old institutionalism literature (Greenwood & Hinings, 1996; Hallett & Ventresca, 2006), originated out of the long-term value commitments of the organization as an actor itself. Scott (1987) later commended Selznick for viewing processes of institutionalization as the inclusion of value, which led to organizational interests, however, critiqued Selznick for stopping at



the identification of values and interests and not accounting for how this process occurs. In response to Scott's critiques, Kraatz and Moore (2002) extended Selznick's theory of institutional leadership to include a process of how leaders infuse value into an organization. By studying changes in liberal arts education, Kraatz and Moore (2002) suggested that institutional leaders participate in organizational learning, introduce new mental models and assumptions, and work to replace old values with newly institutionalized values (Washington, Boal & Davis, 2008).

Most recently, it has been suggested that interests function as the underlying structure and are central to institutionalized value systems (Suddaby & Greenwood, 2005). And while Kraatz and Moore (2002) extended Selznick's theory of institutional leadership, they fell short of explicitly identifying the roles of interests as institutional leaders manage and protect an organization's values. The likely explanation for why interests have been absent in recent discussions of institutional leadership, and neo-institutional theory more broadly, is because institutional theory has focused primarily on agency relative to institutional change. For example, Seo and Creed (2002) brought attention to the 'paradox of embedded agency,' referring to the tension between agency and institutional logics (Holm, 1995). Enabling conditions and agent's social positions (Greenwood & Suddaby, 2006; Maguire et al, 2004) have been introduced as significant in agents' abilities to mobilize resources (Battilana, 2006; Delbridge & Edwards, 2008; Emirbayer, 1997; Mutch et al, 2006). And degrees of institutionalization and field-level conditions have also been associated with agents' abilities to enact change (Tolbert & Zucker, 1983).

The concept of interests, by contrast, has received limited attention. To begin, at the most basic level, there is a fundamental lack of agreement among scholars on a definition of interests (Swedberg, 2005). At a theoretical level, there exists a dearth of empirical studies explicitly theorizing around interests. And the literature continues to fall short in developing a process of institutional leadership, which embodies both agency and interests and that moves beyond tautological and deterministic views of organizational interests (see for example DiMaggio & Powell, 1983; Friedland & Alford, 1991).

Echoing Scott's (1987) critique of Selznick's work and taking into consideration interests as a central and socially constructed phenomenon in institutional studies (Meyer & Jepperson, 2000; Suddaby & Greenwood, 2005), Selznick's theory of institutional leadership needs to be put to a test to better understand the roles of interests in organizational change. The literature does suggest that interdependent actors form figurations (Elias, 1978) "around specific issues that become important to the interests and objectives" (Hoffman, 1999: 352) of actors as they play various social games. Hence, actors' participation in figurations and social games represents their ongoing socially constructed interests (Bourdieu, 1998). Thus, explaining how institutional leaders change the figurations and social games that an organization participates in emerges as the key to better understanding interests as they pertain to Selznick's work.

The purpose of this research, therefore, was to explore how institutional leaders change the figurations and social games that an organization participates in. The empirical case that we chose was a qualitative study of institutional leadership that transformed the practices of a chamber of commerce focusing from the utility of member

businesses in pursuit of economic vitality towards a value system, and thus organizational interests, supporting community development and survival. Indeed, this change amongst chambers of commerce was an institutional trend as chambers moved from a social game of development to a social game of survival in response to challenging external conditions. In short, this research aimed to explain how this change occurs on the micro-level.

We chose a qualitative research design because our primary focus – the roles of interests in cases of institutional leadership – has not been specifically theorized upon. Consequently, qualitative methods presented us with the opportunity to explore the complex social processes (Gephart, 2004) surrounding interests and institutional leadership, leading towards theory building (Eisenhardt & Graebner, 2007). Extant agency-based studies often make assumptions about interests, the phenomenon that we were specifically targeting. Furthermore, we wished to better understand the process (Langley, 1999) linking interests to institutional leadership, which, as our ethnography illustrates: (1) provides an explanation of where the values and interests of institutional leaders emerge from, (2) theorizes around the process and empowerment of institutional leaders, and (3) addresses the significance of theorizing around agency and interests together.

This article makes several contributions to understanding the process of institutional leadership, and also to institutional theory more broadly. First, while maintaining the traditions of taking into consideration institutional norms and expectations, it suggests that organizations work to balance institutional expectations with localized demands, as interests become an enabling mechanism for institutional

leaders. Second, it provides a detailed case, on a micro-level, of the role of socially constructed interests (Meyer & Jepperson, 2000) within institutional structures, which is contrary to overly deterministic views of interest construction (DiMaggio & Powell, 1983; Friedland & Alford, 1991). Third, it outlines a case of institutional leadership as a collective action process, addressing the critique of institutional change agents as ‘hero’ figures (Battilana et al, 2009). And fourth, it illustrates a process of re-shaping organizational values and interests.

### **5.3. INSTITUTIONAL LEADERSHIP AND INTERESTS**

#### **5.3.1. Institutionally Determined Interests**

“Human interests are central to almost all theories of organizations” (DiMaggio, 1988:4). The study of institutions is no different as interests play an important role in institutional studies (Scott, 1987; Meyer & Jepperson, 2000; Dobbin, 2001; Hinings & Greenwood, 2002; Suddaby & Greenwood, 2005; Greenwood et al., 2008). The new institutionalism, however, has attempted to escape the complexities of interests by instead focusing on the taken-for-granted nature of organizations and practices that seem to be unaffected by politically interested actors (DiMaggio & Powell, 1983; Friedland & Alford, 1991). Case in point, the neo-institutionalism literature seems content in vaguely suggesting that interests are institutionally constructed (Lounsbury, 2008; Powell & Colyvas, 2008).

Furthermore, institutional theorists have treated interests as homogeneous and overly deterministic and that these interests become institutionalized as a set of ethical norms and values (Zukin & DiMaggio, 1990). “As long as action is guided by norms or constructive expectations, variation in actor interests will not play a role in its outcome”

(DiMaggio, 1988: 5). Thus, institutional theory has viewed interests as universal, limiting itself to interests exclusively relevant to the organizational context. Case in point, “Firms pursue profits, agencies pursue larger budgets, political parties pursue votes, and research universities pursue publications (Scott, 1987: 508). In sum, however, the new institutionalism has presumed that institutional designs, as well as actors and their interests, remain unchanged (Pierson, 2004). Focusing on macro-level phenomena, institutional theory has smuggled self-interested behavior, rather than theorizing around interests explicitly (DiMaggio, 1988).

Recognizing that the new institutionalism struggled with addressing institutional change, DiMaggio (1988) called for scholars to compliment institutional theorizing by way of interests and agency to better understand the micro-foundations of modern actorhood (Meyer & Jepperson, 2000; Powell & Colyvas, 2008). A movement to focus on institutional change has since defined institutional agents as actors who initiate change and in doing so, contribute to the transformation of existing institutions or create new institutions (Battilana, 2006; Battilana et al, 2009; DiMaggio, 1988; Maguire, Hardy & Lawrence, 2004). Indeed, new institutions arise when agents, oftentimes referred to as institutional entrepreneurs, whom are interest-driven, aware, and calculative in advancing valued interests and suppressing dominant institutional expectations (DiMaggio, 1988; Zilber, 2009), recognize a highly valued opportunity.

Agency represents a socially and institutionally structured actor’s ability to intentionally pursue interests and exert some effect on a social environment (Scott, 2001). Studies of agency in institutional theory have focused on a number of areas. Specifically, scholars have focused on field configurations, both mature (Greenwood & Suddaby,

2006) and emerging (Maguire, Hardy & Lawrence, 2004), actors' social positions (Battilana, 2006), a collective action model (Hargrave & Van de Ven, 2006) and resource mobilization (Battilana, 2006; Delbridge & Edwards, 2008; Emirbayer, 1997; Mutch et al, 2006). However, theories of agency and institutional change have given rise to new problems such as the 'paradox of embedded agency' (Seo & Creed, 2002), referring to the tension between agency and institutional logics (Holm, 1995). This is because as scholars have focused on agency, the concept of interests has received little attention and remains a slighted and essentialist phenomenon. Interests and values, as set forth by Selznick (1957), were social constructions that served as the foundations for norms within the organization. This process is all by lost through neo-institutional determinism.

### **5.3.2. Socially Constructed Interests**

Recent work by organizational sociologists has attempted to link the "institutionalist" and "interactionist" debate by exploring a richer understanding of action, interaction, and meaning to inhabitants of institutions (Hallett, 2010; Hallett & Ventresca, 2006). At the foundation of this debate resides the question: how are interests constructed? While a myriad of typologies and definitions of interests exist, spanning within and throughout various academic theories and disciplines, institutionalists are not the only group to take the meaning of interests for granted. As a result, there is a lack of a widely accepted sociological definition of interests (Swedberg, 2005a; 2005b).

There is, however, agreement that interests are socially constructed (Zucker, 1977; Meyer & Jepperson, 2000; Dobbin, 2001; Hinings & Greenwood, 2002; Suddaby & Greenwood, 2005). Actors are viewed as legitimated agents for a variety of interests through ongoing social constructions (Meyer & Jepperson, 2000). Institutions are social

spaces where a number of legitimated actors come together to form figurations.

Figurations represent groupings of interdependent actors and can be applied to explore actors without splitting interests and institutions (Elias, 1978) into “explanatory catchalls” (Jepperson & Meyer, 1991: 229).

However, it is the interest of the actor that brings the actor to participate in the figuration. To have an interest “is to be there, to participate, to admit that the game is worth playing and that the stakes created in and through the fact of playing are worth pursuing; it is to recognize the game and to recognize its stakes” (Bourdieu, 1998: 77). To be sure, to participate is to have an interest. Actors’ socially constructed experiences provide the actor with a “feel” for certain games, which results in the actor participating in certain figurations. These constructions represent an actor’s “system of lasting and transposable dispositions which, integrating past experiences, functions at every moment as a matrix of perceptions, appreciations, and actions” (Bourdieu, 1977: 95). Institutional leaders work to promote and protect these interests for the organization (Selznick, 1957), which in turn, impacts the figurations in which the organization participates.

### **5.3.3. Research Questions**

We wanted to explore the processes of how the work of institutional leaders reshapes the values and interests of an organization. Our approach, combining institutional expectations with ongoing socially constructed interests, teamed with the little attention that interests have received from researchers, led us to consider four research questions. Our first question was aimed at further developing the institutional leadership literature in understanding interests as a mechanism for organizational change.

Accordingly, our first question was: What roles do institutional leaders' interests play in the process of organizational change?

Our second and third questions stem from the recent critiques of the institutional change literature. These critiques include: (1) the 'paradox of embedded agency' (Holm, 1995; Seo & Creed, 2002) and (2) individuals whom behave as "heroes" (Battilana et al, 2009; Meyer, 2006). First, by looking at the interplay between institutional expectations and the socially constructed interests of actors, we can better understand how institutional leaders come to desire alternative values and interests. Consequently, our second question was: How do institutional leaders come to desire alternative organizational values and interests? Furthermore, once an institutional leader desires alternative organizational values and interests, we sought to identify the external societal conditions aiding the process. Our third question was: Under what external conditions do institutional leaders and their values and interests become empowered, leading to organizational acceptance?

Finally, our fourth question lends towards the process of organizational and institutional change through interactions at the micro level, with institutional changes at the field level. More specifically, we sought to better understand the process of how values and interests propagate between the institutional leader, the organization, and the field more broadly. Accordingly, our fourth question was: What roles do institutional leaders play in the propagation of alternative values and interests?

#### **5.4. RESEARCH DESIGN**

This article builds on a qualitative case study (Yin, 2009) exploring how institutional leadership transformed the practices of a chamber of commerce focusing



from the utility of member businesses in pursuit of economic vitality towards a value system, and thus organizational interests, supporting community development and survival. This qualitative study was designed to explore the interests of social actors within the naturally occurring environment (Gephart, 2004) of a chamber of commerce. Moreover, as Gephart (2004: 455) asserts, qualitative research is suitable when research is used to provide substantiated conceptual insights and reveal how theories operate in particular cases. Qualitative methods allowed us to better understand the phenomenon of interests within institutional leadership and how social experiences are created, while also being open to unanticipated events.

#### **5.4.1. Research Context**

We chose a chamber of commerce as a micro-culture in which to explore the phenomenon of interests, yet only after we were in the field, did we recognize a real-time case of institutional leadership. This process mirrored a macro institutional change, relative to chambers of commerce in general, participating in games of community development and survival. It became evident that multiple directors, in particular, were prominent leaders in reshaping the values and interests of the chamber of commerce.

Chambers of commerce are membership driven “associations of business men (or women) for the purpose of furthering their interests (Friedman, 1947)...” (Brown, 1997; Costain & Costain, 1981; Johnston & Mahra, 2002; Ray & Mickelson, 1990; Ridings, 2001). The collective of the chamber of commerce’s board of directors served as our primary source of inquiry, as directors represented their own organization while also having the objective of building a better community (Barnes, 1924). In doing so, the

board served as a cooperative liaison between community businesses and residents, while representing diverse lines of industry (Brown, 1922; McCullough, 1928).

Specifically, we identified the Red Lake Regional Chamber of Commerce (RLRCC) as a particularly interesting case. Red Lake is a mid-western commuter town, with businesses serving roughly 175,000 regional residents. Red Lake is located within 20 miles of a major research university and five other institutions of higher education. Red Lake Township, according to the 2000 census statistics, boasted the fastest growing population in the county, however, as was the case throughout the state, Red Lake's population growth all but stalled between 2000 and 2010.

The RLRCC, at the time of our study, represented 94 regional businesses. The RLRCC's Board of Directors included representatives from ten regional businesses and two municipalities. The directors were organized in an empowered shared leadership schema (Carson et al, 2007) designed to obtain resources (Werking, 1978), while also meeting the objectives of the chamber's membership. Josh, the chamber's interim-president spoke about the directors' empowerment, "...we have a very open dialogue if anybody needs to get anything on the agenda... I leave those really open ended in case there is something that somebody needs to bring up."

Relative to our use of figurations as a means to identify specific interests, many of the directors represented multiple boards for various organizations within the region and additional interdependencies. We felt this would provide us with the opportunity to better explore how interactions between figurations, and thus interests, might prove significant in institutional leadership.

### **5.4.2. Data Collection**

Our qualitative case study included multiple data collection methods comprising of: direct observations, document reviews, and unstructured interviews. Direct observations (Jehn, 1997; Owen-Smith, 2001; Van Maanen, 1979; Yin, 2009) allowed us to observe the RLRCC's Board of Directors, various organizations embedded within the field, and the processes of change within the natural setting of the case. Over the eighteen months we were in the field, we directly observed RLRCC monthly meetings (16), RLRCC committee meetings (26), RLRCC executive meetings (6), Red Lake Village meetings (8), Downtown Development Authority (DDA) meetings (3), RLRCC events (10), and informal dialogues between RLRCC Directors (47), for a total of 116 days of field notes (Emerson, Fretz & Shaw, 1995).

Our document reviews of "physical artifacts" (Yin, 2009: 113) served as natural evidence for the study, and also a means to improve the credibility of our interpretations from other data sources. We reviewed RLRCC monthly meeting minutes (26), RLRCC budget reports (16), RLRCC by-laws (2 versions), Red Lake Township board meeting minutes (38), Red Lake Planning Commission meeting minutes (13), Red Lake Village meeting minutes (12), Red Lake Schools Bond meeting minutes (2), and community welcome books (4), for a total of 113 physical artifacts. Furthermore, in place of a survey disseminated by us as researchers, we were able to utilize the 2010 survey responses exchanged between member organizations and the RLRCC, including 29 responses.

Lastly, we completed fifteen unstructured interviews with the directors, lasting between forty-five minutes and one hour, selected through theoretical sampling

(Eisenhardt & Graebner, 2007; Strauss & Corbin, 1990). The unstructured interviews (Corbin & Morse, 2003) were designed to allow the directors to talk about participation in various figurations, interactions, and actions in the context of his or her own life-world, enabling us to develop thick detailed descriptions (Gephart, 2004).

The unstructured nature of the interviews was also aimed at reducing researcher bias as much as possible. For example, interviews were designed to uncover figurations, which later assisted us in constructing the interests of both the directors and the chamber of commerce. Structured questions would have potentially compromised the real-life context of the directors' thoughts.

The interviews covered a wide range of topics. All interviews, however, included why directors' were involved in the RLRCC, reflections on interactions, interpretations of dialogues between fellow directors, and the influence of the chamber on both their respective organization and the region as a whole.

#### **5.4.3. Data Analysis**

Our analysis was performed in three stages. The first stage constructed a chronology of events (Maguire et al, 2004), detailing the actions leading to reshaping of the organizational values and interests. We sketched the evolution of the beginning of the chamber of commerce to the points in which the organizational change became apparent to how the reshaped values and interests propagated throughout the organization and the Red Lake community.

The second stage of our analysis aimed to systematically detail the interests of the RLRCC directors and the processes of change. All field notes, physical artifacts, and interview transcripts followed a two-phase analytic coding process through NVivo

Qualitative Analysis Software. We began with open coding, “developing interpretations or analytic themes rather than causal explanations” (Emerson, Fretz & Shaw, 1995: 147). We then continued with a focused coding technique aimed at exploring the identified themes relative to the process of organizational change. Table 6 details the coded figurations and interests of each director.

By coding the figurations that each director participated in, both inside and outside the chamber of commerce, we aimed to capture the interests of each director. This stems from viewing the participation of directors in figurations (Elias, 1978) as a recognition and perceived importance of a game – indeed, using Bourdieu’s (1998) conceptualization of what it means to have an interest. Figurations were captured through six sub-codes: business figurations, church figurations, community figurations, family figurations, local government figurations, and status figurations. Status figurations represented rank in relation to other directors.

The third stage of our analysis was directed specifically at addressing our four research questions. Relative to our first research question, aimed at exploring the roles institutional leaders’ interests play in the process of organizational change, we linked the chronology of events with the emerging values and interests. To begin, we systematically determined what the interests of the institutional leaders were and then sought to better understand how these interests related to whom or what organizations they were interacting with. More specifically, we used focused coding on the narratives utilized during interactions. For example, the narratives used by the institutional leaders in the case of the school bond project were distinctive depending on the audience, whether the RLRCC Board of Directors or member organizations at the annual meeting.

**TABLE 6**

<b>RLRCC Board of Directors, Bios, and Coded Figurations</b>		
<b>Director</b>	<b>Illustrative Bio</b>	<b>Coded Figurations*</b>
Adam, Executive Director	Owner of Party Time Tent Rental, likes to be known as the "Tent Guy." Focused on the growth of Red Lake and his family, but struggles with juggling his business and job in automotive.	Business, Family, Local Government, Community, Status, Church
Bev, Director	Owner of Red Lake Horse Farms, is an introvert and focused on growing her business. Family oriented person who currently resides outside Red Lake.	Business, Family, Community
Bob, Director	Superintendent of the community schools and is focused on building collaborative relationships with regional institutions of higher education.	Community, Business, Status, Local Government
Bruce, Director	Long-time resident of Red Lake and owner of the hardware store. Also serves as President of the DDA.	Business, Local Government, Community, Family
Carol, Director	Vice President of Beta Laboratories. Is a historian and values the traditions of Red Lake and her family.	Business, Family, Community
Don, Director	Owner of Lifetime Investments and justifies his orientation to the chamber as a means to network. Focused on family and developing are parks.	Family, Business, Community
Janice, President (2010)	Owner of Family Funeral Home and is involved with multiple non-profit organizations. Focused on event planning for the chamber and her family.	Business, Family, Community
John, Vice President	Long-time resident of Red Lake and owner of Music Productions. Focused on building the community and attracting new residents and businesses.	Family, Community, Business, Status
Josh, President (2009)	Vice President of Community Bank and serves on the DDA, Community Education Board, and church volunteer.	Business, Community, Church, Status, Local Government
Lisa, Secretary	Owner of Outdoors Campground and is the "gossip queen." Focused on her business.	Status, Business, Family, Community
Ray, Director	Owner of five Ray's Barbering locations. Focused on the community and his church.	Church, Family, Business, Community
Steve, Director	Owner of Simon Brothers Excavating. Rarely seen at chamber events and is focused on his business.	Business, Family
Terry, Treasurer	Lifetime resident of Red Lake, serves on the DDA, Historical Society, and is the township treasurer.	Community, Local Government, Status

\* Order determined by frequency of code in relation to each director.

In addressing our second research question pertaining to how institutional leaders come to desire alternative organizational values and interests, we began by uncovering the values of the chamber of commerce prior to the case of organizational change and compared those values and organizational interests with the values and interests of the individual directors. As a result, we were able to uncover how the values and interests of specific directors differed from the chamber of commerce. For example, Terry, through his participation in various figurations, feared that his goal of utilizing the historical train depot as a central hub for the community was moving towards collapse, thus impacting his efforts to focus on his community interests.

It became apparent to us that the study was focused on interests, but could not ignore the extant literature on agency. Consequently, in addressing our third research question exploring under what conditions do institutional leaders and their values and interests become empowered, thus leading to organizational acceptance, we focused on our coding strategies to compare the values and interests between the institutional leaders and other individuals and organizations they interacted with. We inferred that similar values and interests would influence the acceptance of organizational change.

Lastly, through our fourth research question, we sought to better understand what roles institutional leaders play in the propagation of alternative values and interests. To address this question, we focused on which diverse organizational interests were at play, how participants in figurations overlapped and interacted, and how active community interests became central to the chamber of commerce.

## 5.5. RESULTS

In 2004, the mission of the RLRCC read, “The mission of the chamber is to promote the economic, commercial, and industrial interests of the Red Lake Region.” Then, with a membership of 36 organizations, the RLRCC was focused on developing the regional economic environment. Of these 36 organizations, members were primarily from the insurance, real estate, manufacturing, and automotive industries. To develop the regional economic environment, efforts of the board of directors, which was comprised entirely of business owners and local executives, supported the membership exclusively. For example, member newsletters were disseminated from 2004 – 2007 to member organizations, highlighting chamber activities and anecdotes for improving business performance. The RLRCC hosted professional development workshops for members six times annually, ranging on topics from networking, to financial bookkeeping, to human resource management. These professional development seminars, taught by both local and regional experts, were financially supported by membership fees, and used as a membership benefit during new member recruitment efforts.

Member benefits also included networking opportunities through After Hour Evenings and revenue opportunities through Heritage Days. The After Hour Evenings, hosted monthly by member organizations, provided members with a setting to build business relationships within the region, as well as a platform for initiating collaborations. For example, in 2005, Alpha Manufacturing, an aerospace parts manufacturer, collaborated with the local General Fitness and Midwest Insurance, resulting in employee health club memberships and decreased insurance premiums. The



Heritage Days were events to attract residents to downtown businesses, generating strong weekend revenues every fall.

Beginning in 2008, the field began to quickly transform. Membership grew from 36 organizations in 2004 to 94 organizations in 2010. The mission of the RLRCC was rewritten: “Dedicated to the economic vitality and success of our community.” Resulting from the interdependent efforts from a myriad of organizations, the field changed to support community interests through festivals, educational centers, higher education offerings, parks and athletic facilities, medical centers, and partnerships with neighboring chambers of commerce.

#### **5.5.1. Chronology of Events**

In the beginning stages of the RLRCC, efforts were directed around business interests. More specifically, efforts focused on attracting membership, developing business skills of members, and leveraging revenues for members through events. As a result of the process of institutional leadership, however, the RLRCC directors’ went from struggling to solicit volunteers to mobilizing community members and organizations in supporting the change. Table 7 includes the chronology of events.

As a result of ongoing field-level change, both the chamber and the Red Lake community focused their efforts towards community interests. These efforts have included: (1) new community facility usage and endorsed construction and renovations of historical buildings, (2) community park construction projects funded by the RLRCC and member organizations, (3) interdependent recruiting programs targeting residential relocation, (4) nationally recognized community events, and (5) re-developed RLRCC websites increasingly structured towards community usage.

**TABLE 7**

<b>Chronology of Events</b>	
<b>Date</b>	<b>Event</b>
2004	RLRCC Mission: "The mission of the chamber is to promote the economic, commercial, and industrial interests of the Red Lake Region."
	Chamber membership includes 36 organizations.
2004 - 2007	Chamber's primary focus includes professional development workshops and member newsletters including "better business" anecdotes.
2005	Chamber hosts its first monthly After Hours Evenings aimed at networking and developing partnership opportunities for member businesses.
2006	Chamber leadership saves the Depot Station from demolition through a fraudulent sales contract.
	The Railstop Depot Association purchases the Depot State and raises \$250,000 for renovations. The RLRCC plays a central role in the fundraising.
2007	Chamber hosts first annual Heritage Days to create revenue opportunities for member businesses downtown.
2009	Chamber leadership and Red Lake Community Schools propose a qualified school construction bond to add technology resources and a community center to the high school. The community later approves the bond.
	Chamber works with local entrepreneurs and artists to create the Center for Photographic Arts both as a learning center and community center.
	Chamber is central to the construction of: (1) three new medical centers, (2) new community parks and hiking trails, and (3) two sportsman's clubs.
2010	Chamber partners with Red Lake Community Schools to marketing efforts to attract new residents and businesses.
	Chamber moves into the Depot Station and agrees to manage the leasing responsibilities.
	RLRCC Mission is rewritten: "Dedicated to the success of our community."
	Chamber membership includes 94 organizations.
	Chamber forms partnerships will other regional chambers of commerce to provide additional resources to its membership and residents.

## **5.5.2. From Business to Community**

### ***5.5.2.1. Depot Station Takeover***

September of 1982 included arson, resulting in a building fire that burnt the Depot Station down to its rock shell. After fourteen years of aesthetic dismay, the Depot Station, which is centrally located in downtown Red Lake, became a priority of demolition for the Village Council. The Village Council cited the Depot Station's inability to earn revenue, liability to the community, and "eyesore" appearance as justifications for demolition.

Terry, a member of the Village Council, President of the DDA, Red Lake Treasurer, and RLRCC Director, had an alternative vision for the Depot Station, however grew frustrated with his inability to sway the Village Council's intentions. Without adequate financial resources or investors, Terry, at the June 2006 village meeting, presented the council with a fraudulent sales contract to purchase the Depot Station. Terry laughed as he recollected the event. "They [the Village Council] didn't even read the contract. Once they said "ok", I thought whoa, wait, now I need to find a buyer. But the building is the center of our community and needed to be saved." Over the following three months, Terry recalled dragging his feet at the Village Council meetings, while organizing local historians to form the Railstop Depot Association, dedicated to the preservation of the Depot Station and its surrounding park. Terry commented, "I was able to attract these people to form the association because they are local history junkies and I presented them with an opportunity to preserve a piece of the community's story." Following the Railstop Depot Association's formal structuration, the association was able

to raise \$250,000 and successfully renovated the building, having it dedicated as a state historical site.

As a consequence of the Railstop Depot Association's efforts, the Depot Station was revived as the central landmark in the community. Since, multiple books have been written about the building's history, artists have captured its appearance through watercolors and oils, and countless marketing tools, from websites to community welcome books to village reports display the face of the Depot Station as a central photograph. Moreover, the Railstop Depot Association is overwhelmed with reservations from community businesses, non-profit organizations, and Red Lake residents to lease the facility for events.

In January 2009, the RLRCC Board of Directors, including Terry, who since 2007 had served as the chamber's treasurer, began negotiations with the Railstop Depot Association to lease the historic building long-term as the RLRCC headquarters. Terry believed leasing the Depot Station "would give us more visibility in the community and position us to be more successful." However, Matt, the RLRCC President at the time, viewed the agreement as a revenue opportunity for the chamber. Following Matt's submission of an amended contract to the Railstop Depot Association, without the RLRCC Board of Director's approval, Terry and Matt disputed over the project at the February board meeting, which resulted in Terry walking out of the meeting. Terry recalled the incident, "From my standpoint it was the fact that the President stepped out and was offering the Railstop Depot Association another contract, without the board's approval and not with the community's best interest in mind... That thoroughly ticked me off!" Another director commented, "Terry had started to deal with the depot, and

then all of a sudden, Matt gets involved. Matt decides he is going to write another contract.” One month following the February board meeting, Matt resigned as the RLRCC President.

Following eighteen months of negotiations, including intra-board shouting matches and three presidential changes, the RLRCC moved into the Depot Station in July 2010. The contract between the Railstop Depot Association and the RLRCC gives the chamber use of the facility as office space, in addition to the responsibility of renting the Depot Station to the community. David, the founder of DB Investments, spoke on behalf of the RLRCC at the dedication, “This move should bring more people downtown and attract more people into town from neighboring communities.”

#### ***5.5.2.2. School and Community Growth***

Since 2006, Bob, the superintendent of Red Lake Schools and RLRCC Director had managed annual school budget cuts ranging from \$650,000 to \$1,250,000, a result of state level economic contraction. However, at a time of widespread K-12 education budget cuts, Bob disclosed four reasons for pursuing his interest in continued growth: “(1) to enable the Red Lake Schools to accommodate many academic and community needs, (2) to create a high school campus which emphasizes a global philosophy while promoting online, hybrid, and advanced placement classes in cooperation with universities and businesses, (3) to move towards a total technology immersion to enhance learning, instruction and communication, and (4) to provide new facilities that will enable Red Lake to remain a premier school district and community.”

Bob, in partnership with the school board, responded with an approved application for a qualified school construction bond to build a community center and

additional science classrooms onto the Red Lake High School. Following the application process, Bob sought support through two channels: (1) Josh the RLRCC Interim-President and the RLRCC Board of Directors and (2) "...a respected alumnus with children in the district." First, the RLRCC Board of Directors, "...a community organization with significant ties" included eight directors with children enrolled in Red Lake Community Schools; the RLRCC President was also a director of the Red Lake Educational Foundation; and the directors also represented ties to a myriad of community organizations. Second, Bob discussed with John, "...a respected alumnus with children in the district" regarding the possibilities of becoming active in the support effort. "John is a well known member of the community, has kids in our schools, and works as the Head of Surgery at [State Research] Hospital."

At the October 2009 RLRCC meeting, Bob presented a construction proposal to build additional science classrooms and a community center onto the recently constructed Red Lake High School. Bob commenced his informal presentation to the board of directors by commenting on the "unique chance to utilize the opportunity as the first district in the state to be approved for a qualified school construction bond." Bob continued in a non-invasive tone, "I am not saying this is something that we need to do, but instead am interested to see if you think this is something that we should do." The narrative continued to speak towards deferred millage rates and low interest rates, as well as benefits towards attracting new residents to the community. "We [Red Lake Schools] feel everyone has benefited from the partnership between the schools and the chamber. We recognize a need to provide a community center and services that everyone can use."

The RLRCC Annual Meeting replaces the board's monthly meeting in January of each year. Unique, however, to the 2010 annual meeting was the absence of a keynote speaker. Instead, the evening program would include Bob and John presenting the construction proposal. Bob's presentation continued with the same non-invasive tone, which is contrary to his typical demeanor. He began with a very similar statement as the one to the board of directors, in suggesting that it was up to the community to decide if the project is the right thing to do. Bob's annual meeting presentation, conversely, did differ, in that he presented a narrative spotlighting the benefits of the community center and "cutting edge science classrooms to provide students with the proper background to contribute to high technology industries." John continued with a monologue speaking of the importance of science education in healthcare.

Bob's efforts in disseminating information regarding the construction project continued through a full-color brochure highlighting each of the narratives previously presented, as well as artistic renditions of the facilities and more specific uses for both the school district and the community. Bob's final efforts included forming a committee, which led two town hall meetings.

Curiously, the January and February meetings for the Red Lake Village and DDA included dialogues echoing Bob's presentations. Directorships from the Red Lake Village, the DDA, and the RLRCC do, however, have overlapping personnel. The Red Lake Catholic congregation, on the other hand, is not attended by any RLRCC directors, but does have many members that were present at the RLRCC Annual Meeting in July. We observed multiple mentions of the project, again echoing Bob's presentations, as well as informal dialogues both before and after masses. Worthy of noting, we were unable

to find any specific organizations within Red Lake that demonstrated any strong disinterest in the construction project. Moreover, this interesting finding was reiterated as we consulted individuals that are centrally embedded within the Red Lake community, including church leaders, barbers, bar keepers, and local government officials. A community vote, held at the end of February, approved the \$1.75 million construction project to add both the community center and the science classrooms onto the high school.

Following the community's approval of the construction proposal, Bob presented a second proposal to the RLRCC Board of Directors, but this time centered around marketing efforts. Bob proposed "the schools and the chamber partner to attract new residents to the Red Lake community." Bob had previously gained the school board's approval to solicit potential residents from neighboring communities. "We [Red Lake Schools] will fund the project, but feel that partnership between the schools and the chamber could communicate a vibrant and collaborative community. We want to put together multi-media marketing pieces to attract new residents, new businesses, and continue to increase our [school] enrollment numbers." The RLRCC Board of Directors voted to partner with the community schools, resulting in direct mail and local publication advertisements.

Indeed, the partnership has been embraced by other RLRCC member organizations as well. For example, on June 16<sup>th</sup>, a group of 800 bike riders travelling across state, stopped at the Red Lake High School for the evening. The RLRCC welcomed the event as an opportunity to hand out free water bottles advertising RLRCC events scheduled for the end of the summer. Moreover, 14 member businesses



distributed coupons encouraging riders to visit their businesses and experience the Red Lake community for the evening.

### **5.5.3. Propagating Community Interests**

Beginning in the summer of 2009, it became apparent to us that community interests were propagating throughout the chamber of commerce and the member organizations. The RLRCC hosted its 1<sup>st</sup> Annual Traffic Jam’In, paralleling Red Lake serving as the host site for the National Outboard Motor Boat Races. The Traffic Jam’In, organized through a collaboration between the RLRCC and 17 local non-profit organizations, included attractions such as live bands, food tents from local vendors, an antique car show, and children’s bounce houses. The RLRCC declared the event the most successful weekend in Red Lake history, attracting over 300% of the local region’s population. The National Outboard Motor Boat Races, which took place on Red Lake, added thousands of additional spectators, filling area hotels and restaurants. The Red Lake Village Council followed up the event with a victorious bid to host the boat races every three years, while also hosting qualifying races annually.

Each year, trick-or-treaters and their families crowd the Village of Red Lake, as a Halloween tradition. The RLRCC opened the doors to the Depot Station for a fall chili cook-off in an effort to provide a “family atmosphere that the parents can benefit from.” Prior to the annual trick-or-treating hour, regional chefs and volunteers provided their family recipes, as area residents and judges enjoyed the chili and live entertainment. A chili champion was crowned just prior to the trick-or-treating hour.

Since the inception of the RLRCC After Hours Evenings in 2005, the networking events have included food and beverages at member businesses. Each month, the

attendance of the After Hours Evenings ranges between 45 and 60 people, representing a significant portion of the 94 member organizations. However, in May of 2010, the RLRCC Board of Directors discussed the idea of opening the event to the public. “The first hour could remain exclusive for the membership, however, opening the event up to the public after that would allow the RLRCC to be more visible to the community, providing further services.” The August 2010 After Hours Evening, hosted by Digital Media Source, a new Red Lake retailer, was attended by 57 chamber members, followed by over 75 area residents. Janice, the President of the RLRCC, commented, “We underestimated the food we would need (laughter), but that is a good problem to have!”

RLRCC events have also led to tangible community growth. For example, the RLRCC Annual Golf Outing had an organizing committee represented by two RLRCC Directors, two member organizations, and the Red Lake Parks and Recreation. Culminating from the revenues generated from the 2008 and 2009 outings, the RLRCC has funded the construction of four new soccer fields, two community parks, and 25 miles of walking trails. In 2010, the RLRCC drafted an agreement which was signed by both the RLRCC Board of Directors and the Red Lake Parks and Recreation to exchange community volunteers in assisting with the organization of the Annual Golf Outing for two-thirds of the event’s revenue going directly to the youth sports organizations and community parks.

Surveys were disseminated to member organizations at the 2010 RLRCC Winter Expo. The results, presented in Table 8, communicate a significant movement from business interests to community interests. Business related interests largely represented the reasons that member organizations included for why they joined the chamber of

commerce in the first place. The community related interests, which Table 8 illustrates are the current focus, represent how the member organizations would like to see the chamber move forward. Case in point, respondents largely preferred the chamber allocating resources towards community welcome books instead of workshops for business owners. The survey results represent a significant re-shaping of member interests from business related issues to community related issues, in addition to chamber activities reflecting these community interests. Janice, the 2010 RLRCC President commented, “You might not get everyone to admit it, but somehow both the board and the members are much more focused on the community...even some of the hard-core business owners.”

**TABLE 8**

<b>RLRCC Member Survey Results</b>		
	<b>Business Related</b>	<b>Community Related</b>
Original Reasons for Membership	88%	12%
Current Overall Focus	18%	82%
	<b>Supportive of</b>	<b>Unsupportive of</b>
Interest in Workshops	4%	96%
Community Welcome Book	94%	6%

\* Survey responses from 29 member organizations

The community focus has also

propagated beyond the RLRCC’s efforts. Red Lake, historically known as a commuter town, has seen development projects working towards local academic and medical growth. For example, 2009 witnessed the construction of the Midwest Center for the Photographic Arts, which is both a learning and community center, three new medical centers playing host to a wide array of medical specialties, and two sportsman’s clubs, building further on the community’s resources of the outdoors.

In an effort to couple recent advancements within the community with pre-established community amenities, the RLRCC and the DDA partnered to develop two new websites, built specifically around the community. “The new websites include tons of information about things to do in Red Lake...trails, restaurants, lakes, hotels. The list goes on.” The RLRCC also developed a new e-newsletter format to be distributed to area residents and member organizations.

#### **5.5.4. Propagating Interests – Negative Case**

The July 2010 board meeting began with marketing discussions regarding the pending 1<sup>st</sup> Annual Traffic Jam’In, which was scheduled to take place in August. Josh, the Interim-President, brought forth a detailed description of the big event planned for August. “The Traffic Jam’In will parallel the boat races. We have seventeen non-profits involved and are optimistic, even with the event in its first year. The non-profit groups are planning to provide enough volunteers to cover the rest of downtown.” Josh continued, however, to describe the need for the chamber to cover the cost and work the event’s beer tent. Josh proposed a motion to vote on two liquor licenses for the Traffic Jam’In and another event scheduled for August. Don, another director on the board, seconded the motion. Immediately, Josh turned to Ray, the barbershop owner and fellow director, asking Ray if he had anything to say. “Last year, I told the story about why I don’t approve of alcohol at community events and then I voted ‘no’.” This time Ray chose to abstain his votes on the motion to approve the liquor licenses. The motion passed eleven votes yes, zero votes no, and one abstained vote.

Two days later, in an interview with Ray, we asked him about his decision to abstain his votes. “Over the past twenty-four years as a barber, the common denominator

for family problems has been the use of alcohol. People get hurt and it breaks up families. I hear the stories all the time here in the shop. But they [the board] don't want to hear that. They want to make their money." Ray acknowledged the lucrative nature of sponsoring beer tents at community events, but in hindsight stated, "I regret not voting 'no' again." When we asked him about the previous year when he did vote no, he recollected that he tried talking to people about the stories he hears in the barbershop, but the benefits of the beer tents in the minds of the other directors seemed to outweigh Ray's stories. Josh, the President of the RLRCC, reflected on his understanding of Ray's viewpoint. Josh asserted that he believes the chamber's role is to promote the community, not personal convictions of church or family.

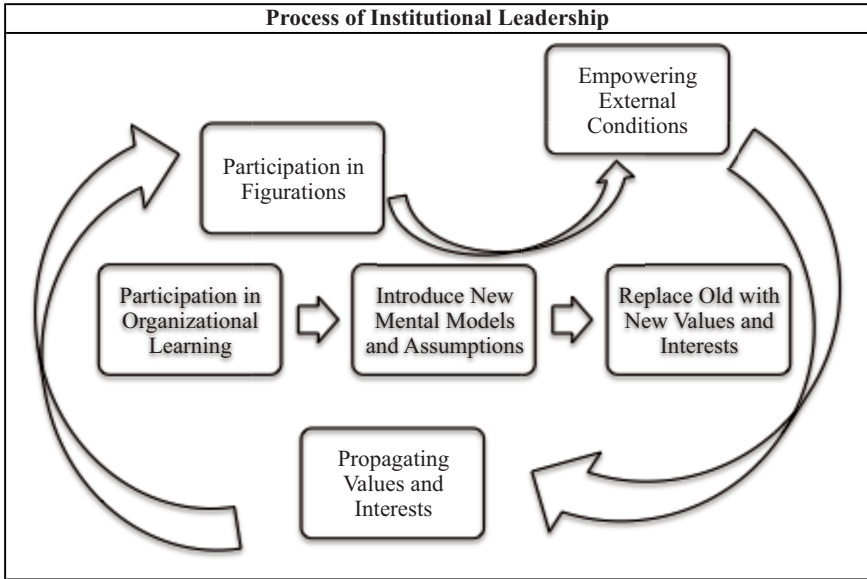
## **5.6. DISCUSSION**

The RLRCC case is noteworthy because it illustrates how institutional leadership in the transition not does stem from the chamber of commerce, as an organization itself, but rather from the external organizations and actors that come to the chamber of commerce to form figurations and pursue new interests and social games in response to timely external conditions. The chamber of commerce, consequently, was observed collaborating with new partners, and their interests, to generate organizational change. This organizational change paralleled the broader institutional change that was taking place on a societal level – indeed, reshaping the meaning of how a chamber of commerce operates and the legitimated interests the chamber pursues.

Stemming from the efforts of multiple institutional leaders working to manage and protect the values and interests of the RLRCC, we suggest the work of institutional

leaders follows a general process. This process however, does not include linear phases or calculative

**FIGURE 6**



Adapted from Kraatz & Moore (2002)

agency. Instead, processes of institutional leadership involve actors, with values and interests that are shaped and re-shaped throughout their ongoing social constructions. As institutional leaders engage with the organizational context, the leaders are presented with both institutional expectations and specific circumstances. Institutional leaders then enact their values and interests as a means to engage with organizational problems and opportunities. If these values and interests relate to other actors and provide reasonable solutions to the organization's objectives, we found that those values and interests become a part of the ongoing constructions

of the organization. The process of institutional leadership is better represented through ongoing constructions than a linear model as is oftentimes discussed in relation to institutional change. Figure 6 represents an adaptation of the process of institutional leadership, as laid forth by Kraatz and Moore (2002). While we maintain their suggests, we also include the roles of ongoing social constructions of interests, actors' participation in figurations, the roles of empowering conditions, and the propagation of new values and interests. Figure 6 captures these ongoing social constructions as a subconscious behind-the-scenes process. As institutional leaders participate in new figurations, these figurations are a response to reshaping interests. Moreover, as these figurations address timely external conditions, the interests embodied through these figurations successfully propagate throughout the organization. We continue by discussing the RLRCC case in relation to each of our four research questions, as well as the process presented in Figure 6.

### **5.6.1. Interests and Roles**

Our first research question aimed to better understand the roles that institutional leaders' interests play in the process of organizational change. Drawing upon our analysis, interests represented various figurations that each director participated in. Even within the organizational context of the RLRCC, which undoubtedly has institutional expectations as a chamber of commerce, each individual director represented their own values and interests. These individual values and interests, shaped and reshaped through directors ongoing participation in various figurations, represented the interpretations that each director had of both the RLRCC and the problems and opportunities the chamber faced. The roles of interests, therefore, represent the constructions of individual actors,

which impact how they act as a director of the chamber of commerce. In cases of successful institutional leaders where the values and interests of the organization changes, the roles of the leaders' interests represent a guide of what values and interests the actor feels the organization should represent and pursue.

Relative to the case of the RLRCC, the values and interests that the institutional leaders seemed to embody represented the community. For example, Terry, in his pursuit of maintaining the depot station as the center of the community, recognized this project as an opportunity because of the values and interests he had in both the facility and the community as a whole. As a director of the chamber and employee of the local government, Terry recognized the depot as an opportunity for both Red Lake as a community and the RLRCC as solidifying itself as the central presence for the community. Another example included Bob, who serves both as a director of the chamber and the superintendent of the community schools. Bob's efforts seem to embody community in a way that was beneficial to the partnership between the community schools and the chamber of commerce, while also providing additional resources to community residents as a whole. Bob's values and interests provided him with an understanding of how to include the community schools, chamber of commerce, and community residents into the construction project. Finally, Terry represented an example where his values and interests in church and family influenced his interpretation of the chamber's engagement with beer tents at community events. Terry's values and interests were different than those embodied by beer tents, which led Terry to act in opposition to the rest of the board.



### **5.6.2. Becoming Interest Driven**

Our second research question aimed to better understand how institutional leaders come to desire alternative organizational values and interests. Battilana and colleagues (2009) suggested that the “paradox of embedded agency,” referring to the tension between institutional logics and agency (Holm, 1995; Seo & Creed, 2002), remains a principle obstacle towards a theory of change within institutions. However, we suggest that by exploring micro-level actorhood, we were able to observe the intersection between institutional expectations and socially constructed values and interests. While institutional expectations provided meaning to functioning as a chamber of commerce, each director had their own values and interests which provided directors with variations in how they interpreted institutional expectations, as well as how to pursue those expectations.

On an institutional level, chambers of commerce during the beginning of the twenty-first century participated in a game of community survival. This was an institutional response to maintaining relevance within external conditions of economic and social decline. Especially in the state of Michigan, where the economy was on a severe downturn and unemployment rates were rising, the institutional expectations of chambers of commerce largely embodied community survival. The specific ways each chamber of commerce enacted these institutional expectations varied from chamber to chamber. These variations exist partly because of the values and interests of the directors, who are oftentimes the leaders of each chamber of commerce.

In cases where institutional leaders desire alternative organizational values and interests, it is because they have values and interests that effectively engage with the

institutional expectations. More specifically, as the RLRCC reshaped its values and interests from pursuing the interests of its business owners to pursuing interests of the community, this process was a result of multiple directors recognizing connections of their own values and interests and how the chamber of commerce can enact institutional expectations of community survival. This is contrary to institutional determinism where organizational interests are essentialist because the organization is a chamber of commerce, for example. Instead, institutional expectations provide meaning of what a chamber of commerce should be doing; however, it is up to the chamber's leadership and membership to determine how to enact these expectations. Institutional leaders are not rational and calculative, but instead are responding to institutional expectations through the lens of their ongoing socially constructed values and interests.

Our analysis revealed a number of figurations that each director participated in outside of their role as a director of the RLRCC. For example, Terry participated in a number of figurations engaged with local government, community development, and historical preservation of Red Lake. These figurations provided Terry with an in-depth understanding of the community and the potential collaborations between various organizations throughout the community. Bob worked as the superintendent of the community schools, as well as an adjunct faculty member at regional universities. These figurations provided Bob with an ongoing understanding of the demands of education on both the K-12 and university levels. Ray volunteered in a number of church and family support organizations, in addition to hearing countless stories about the influence of alcohol through his daily role as the community's barber. These figurations provided Ray with a focus on church and family values and interests.

### 5.6.3. Empowering Conditions

Our third research question sought to better understand under what external conditions do institutional leaders and their values and interests become empowered, leading to organizational acceptance. We suggest that the external conditions that, in the end, led to organizational acceptance included both the broader conditions of Michigan, the expectations of chambers of commerce during the beginning of the twenty-first century in response to Michigan's conditions, and specific conditions within the Red Lake community and RLRCC.

To begin, the state of Michigan was in decline. In 1966, Michigan's gross product was exceeded by only 10 national economies throughout the world. In 2000, Michigan's gross product ranked 21<sup>st</sup> among 50 states. In 2010, Michigan dropped further to 42<sup>nd</sup> (Rubenstein & Ziewacz, 2008). Michigan's unemployment rate grew from 4.7% in 1967 to 14.6% in 2009. Michigan's population was declining, especially university graduates as nearly half of the state's university graduates left in 2009 for better employment opportunities. Moreover, political dissatisfaction was widespread as approval ratings for state officials fluctuated between 30% and 40%. In short, Michigan was in decline and Michigan's chambers of commerce were forced to participate in a game of survival. During the beginning of the twenty-first century, Michigan's chambers of commerce worked to address issues of economic and community decline, unemployment, population loss, and political dissatisfaction.

Specific to Red Lake, the community boasted one of the highest population growth rates in the state just before the state's economic downturn. This was observable by a number of housing developments throughout the community. Moreover, prior to the

organizational change that resulted in a re-shaping of community values and interests, the RLRCC was operating as chambers did prior to the state's downturn. As a result, the RLRCC was ineffective in participating in more current institutional expectations of survival. This was one of the reasons that the RLRCC' membership included only 36 organizations in 2004.

Each institutional leader received support because the values and interests they pursued through each of their projects better aligned with the institutional expectations of chambers of commerce and the timely needs of Red Lake as a community. For example, Terry's project represented the revival of a once prolific depot station at the center of the Red Lake community. To begin to gain support for the project, Terry solicited "Red Lake history junkies" to form a collective group known at the Railstop Depot Association, which would later become the depot's managing organization. Terry was successful because of shared interests with the association. The result was a non-profit organization that generated enough funding, in collaboration with the RLRCC, to pay Terry's fraudulent sales contract and restore the depot's prominence. The same general connections can be made to Bob's project, which provided enhancement to the community schools and further development of educational and community resources. To gain support, Bob presented narratives with values and interests that mirrored those of the audience he was speaking to.

#### **5.6.4. Propagating Interests**

Our fourth research question aimed to better understand what roles do institutional leaders play in the propagation of alternative values and interests. After all, for institutional leaders to be successful, the organization has to accept and embody the

new values and interests of the leadership. We suggest that the values and interests of the institutional leader propagate because other actors within the organization share similar values and interests and participate in similar figurations. If the actors share similar values and interests then the actors recognize and have a perceived importance in the same games. Therefore, according to Bourdieu's (1998) conceptualization of what it means to have an interest, new values and interests that propagate and become accepted throughout the organization because the actors have similar interests. Widespread propagation of new organizational values and interests results in organizational change. If there is a disconnect, however, between the values and interests of the institutional leader and the other actors, then the new values and interests are not shared and will not propagate throughout the organization. The result of a disconnect between the actors resulted in an unsuccessful case of institutional leadership, where the leader failed to propagate the new values and interests throughout the organization.

As was the case with Terry's project focusing on the depot station and Bob's construction project with the schools, the values and interests embodied by the projects were shared by both the other directors of the RLRCC and the community. The projects also embodied the values and interests of what it meant to be a chamber of commerce and participate in games of community survival. The result was community values and interests propagating throughout the organization and creating organizational change. No observation captures these results better than the directors' successful rewriting of the RLRCC mission statements to include values and interests of the community.

Alternatively, Ray's project, which included values and interests surrounding church and family, failed to propagate throughout the organization because Ray's

perception of those interests were different than the other directors. We are not suggesting the other directors did not have values and interests surrounding the church and family. Instead, we are suggesting that Ray's interpretations were different than the other directors. Moreover, Ray's particular project included implications for the RLRCC to raise additional funds from the beer tents, which the organization could then reinvest into additional community projects. The directors did not share Ray's viewpoint and Ray was, therefore, unsuccessful as an institutional leader in managing and protecting specific values and interests within the organization.

A number of studies throughout the neo-institutional literature suggest that powerful actors determine the values and interests of actors (DiMaggio & Powell, 1983; Jepperson & Meyer, 1991), including both individuals and organizations. Relative to the institution of chambers of commerce, the U.S. Chamber of Commerce, various state level chambers of commerce, and chamber professionals associations are viewed as powerful actors. Unique to the institution of chambers of commerce, however, is that only 230 of the 6,936 chambers of commerce in the United States, or 3.3%, were accredited by the U.S. Chamber of Commerce in 2010. Consequently, we call into question, which actors determine the values and interests that become legitimated on a field level. While Selznick's (1957) conceptualization of institutional leadership suggests that new values and interests become institutionalized on an organizational level, we are not suggesting that the new values and interests of the RLRCC propagated to the field level. At the same time, however, we do not rule out the idea that institutional leaders that control the values and interests of chambers of commerce throughout each community do not collectively re-shape the legitimated values and interests on the field level.

The structure of chambers of commerce, which leverages and empowers regional actors, provides a context for those actors to pursue their values and interests through the chamber of commerce. Moreover, perhaps no institution throughout American history has traversed the changing American landscape more effectively than chambers of commerce. The reason for the success of chambers of commerce and their ability to respond to external conditions might be a result of the organizational structures embracing the values and interests of the directors and membership, which have direct relations to society more broadly.

#### **5.6.5. Limitations and Future Research**

This study has a number of core limitations. First, by focusing on a single case study, we succumb to limited inherent generalizability. Yet, the decision to focus on a single case study enabled us to capture complex details of the process of institutional leadership. Second, the foundation of our understanding of interests stems from our decision to adopt Bourdieu's (1998) conceptualization of interests. Undeniably, using an alternative definition would have altered our systematic strategy for exploring interests. Third, we place strong significance on narratives and interactions, as revealed throughout our analysis, however based solely on our coding strategies. The study is limited by not utilizing a formal narrative analysis of each interaction. This is because of the inherent challenges of recording spontaneous interactions.

We feel that we were able to generate a better understanding of the significance of interests relative to the process of institutional leadership. However, our discussion of propagating interests demonstrates many complexities relative to the phenomenon of interests. We suggest that future studies continue to better understand the phenomenon of

interests, where interests come from, and the roles interests play. Moreover, we explored a field with strong interdependencies between the public and private sectors, which we feel is a fruitful context to continue to explore interests. We also suggest that future research continues to consider interests beyond the overly deterministic technical and economic interests of organizations.

We hope that future studies will test our discussion of interests and their centrality to processes of institutional leadership. For example, it would be interesting to better understand how a narrative analysis might improve our understanding of how actors' interests are re-shaped. Further testing would also provide us with an understanding of the centrality of interests in other contexts. Finally, and echoing the recent literature on inhabited institutions, we assert that much is to be learned by revisiting a phenomenological perspective of institutions. We believe that exploring the micro-processes within institutions, through the actors' interpretations, provides interesting and underappreciated opportunities.

#### **5.6.6. Conclusion**

We sought to explore interests and agency together on a micro-level to capture organizational change, while taking into consideration institutional expectations. Through the case of the RLRCC, we have illustrated the micro-processes of institutional leaders and how a chamber of commerce comes to embody new values and interests. We also illustrated how each actor within an organization brings their ongoing socially constructed values and interests into the organization. Our ethnography explored the process of institutional leadership as the RLRCC reshaped to focus on community values and interests. This process captured the roles of the institutional leaders' interests in



organizational change, how institutional leaders come to desire alternative organizational values and interests, under what external conditions institutional leaders and their values and interests become empowered, leading to organizational acceptance, and the roles institutional leaders play in the propagation of alternative values and interests within an organizational context. Without a doubt, our study raised more questions than it answered, however, captured a need to dig deeper into the micro-processes of organizations and institutions to understand the phenomenon of interests further.

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## Conclusion

### **6.1. Contributions**

This thesis was inspired by my observation that most scholars suggest that the phenomenon of interests is a central construct within the organizational institutionalism perspective, however, remains overly deterministic and grossly underappreciated. I believe that the title of my thesis *Revisiting the Phenomenon of Interests in Organizational Institutionalism: The Case of U.S. Chambers of Commerce* captures exactly what I set out to accomplish. My underlying objective was to maintain the centrality of interests while positioning interests as a socially constructed and complex phenomenon. I optimistically put forth that I succeeded in pursuing my curiosities of the phenomenon of interests.

The context of U.S. chambers of commerce represented an empirical opportunity to explore an institution that purposefully emerged to pursue the interests of business owners. Taken within the context of the United States – indeed, representing the most liberal of liberal market economies, an early concern was that I would observe interests as business owners passionately pursued their own interests through the “anthropological monstrosity” (Bourdieu, 1993: 77) and institutional determinism that I was critical of from the start. What I found, however, was an institution where business owners set aside market competition for the unified pursuits of the chambers of commerce to become one of the largest and most influential institutions in the world. Case in point, chambers of commerce, today, represent both the largest business federation and public-private partnership in the world. As I detailed throughout the three empirical papers, however, chambers of commerce as a public-private partnership occurred through

collaborative efforts that set aside calculative and rational pursuits for the utilitarian betterment of the communities and regions the chambers represent.

A significant portion of my exploration of chambers of commerce dealt with change, both on an institutional and organizational level. Most studies of institutional change, especially within the tradition of institutional entrepreneurship (DiMaggio, 1988), suggest that powerful actors pursue alternative interests through rational and calculative institutional change projects. My thesis adopts a much different perspective that balances social constructivism with phenomenology. I suggest that interests are socially constructed and that the interests of organizations enable those organizations to recognize specific social games as significant and worthy of playing (Bourdieu, 1998).

To play a social game, which exists on a macro-level, however, organizations participate in interdependent relationships with other organizations that have an interest in the same social game. These interdependent relationships are known as figurations (Elias, 1978). In this regard, I speak towards the existing debates within the neo-institutional traditions, such as the paradox of embedded agency (Seo & Creed, 2002), by illustrating how organizations enact institutional expectations in locally appropriate ways. In this sense, institutional change occurs because organizations enact institutional expectations in ways that are locally appropriate to changing external conditions. Moreover, as myriad organizations participate in figurations because they have similar yet reshaping interests, the macro-level social games change. This, indeed, was the case as chambers of commerce successfully traversed a changing American society, beginning in the late 1800s and continuing through today, because the social games changed to address varying external conditions.



My thesis begins with a much-needed review of the phenomenon of interests as it has appeared through a number of “explanatory catchalls” (Jepperson & Meyer, 1991) throughout the organizational institutionalism literature. I take a critical stance as both the organizational institutionalism perspective, and organization studies more broadly, have systemically portrayed interests through an overly liberal, calculative, and rational lens. Following a discussion of the origins and functions of interests, as well as my critiques of how the literature has addressed interests as a whole, I borrow from Bourdieu (1998) and Elias (1978) to develop a more complex conceptualization of interests, which is then applied throughout the subsequent empirical papers. My attempt was to maintain the traditions of institutional expectations, while also capturing interests as experienced by organizations themselves.

In the second paper, I detail both the quantitative and qualitative changes of U.S. chambers of commerce beginning in the late 1800s and continuing through 2010. This paper is unique, in relation to most studies of institutional change, because it details an extended analysis of chambers of commerce that spanned more than a century. The discussion begins by illustrating quantitative changes that demonstrate a positive emergence and expansion of the institution throughout the three phases of institutional change. The discussion continues by detailing the three social games that emerge, the interests that become legitimated, and the results produced by each social game, throughout the three phases of creation, development, and survival. This historiography also illustrates how the ongoing construction of chambers of commerce, including their legitimated interests, have moved away from the interests of individual actors towards the

unified interests of the chambers of commerce. Case in point, industrial creation and protection gave way to public-private partnerships and community development.

In the third paper, I call into question basic concentric views of society and instead, stress a view of figurations and social games, which better characterize the complexities of interests as a social phenomenon. This paper is grounded in phenomenological views of organizations, as captured in Meyer and Rowan's (1977) seminal work *Institutionalized Organizations: Formal Structure as Myth and Ceremony*. I suggest that interests are viewed through the interdependent relationships and perceived abstractions of the organization.

Captured in the paper's title, the two empirical cases, and the theoretical discussion, I introduce the concept of institutional fiber as a means to express organizations and institutions as abstractions experienced by interdependent actors. Institutional fiber represents the connective tissue linking actors with both institutional expectations and their localized contexts. Institutional fiber represents an actor's awareness, perceived significance, and participation in a number of social games and institutions that stem from the actor's interests. This notion is fundamentally different than rational and calculative conceptualizations of interests, because actors recognize social games and participate in figurations and do not articulate their interests and pursue them rationally. Interests are likely constructed ex-post of actions through retrospective reconstructions (Mills, 1940; Weick, 1995). It goes without saying, that institutional fiber represents an implicit attack on institutional logics.

Finally, the fourth paper includes an ethnographic study of the Red Lake Regional Chamber of Commerce and explores how organizational interests are reshaped as the

chamber transitions from a social game of development to a social game of survival. Specifically, this ethnographic study couples figurations and social games to test Selznick's (1957) micro-level theory of institutional leadership. I illustrate how the interests of the organization are reshaped not by the organization itself, but instead through the work of external organizations and actors that come to the chamber of commerce to form figurations and pursue new interests. These new interests represent a means to enact changing institutional expectations in locally appropriate ways as the external conditions present challenges for the chamber as a whole. This organizational change, however, paralleled the broader institutional change reshaping the identity and legitimated interests of chambers of commerce.

Beyond the significant contributions of each of the papers, this thesis, as a whole, makes a number of additional contributions to better understanding the phenomenon of interests within the organizational institutionalism perspective. Perhaps the most glaring consequence of having a construct, such as interests, that plays such a central role throughout institutional traditions, however, remains implicitly discussed is the innumerable variations of how interests are portrayed. Throughout this thesis, I capture and apply what it means to have an interest, thus providing an empirically supported theorization of interests. Beyond a better theoretical understanding of interests, I present a perspective of interests that equally functions as an analytical tool to empirically explore the phenomenon of interests. This perspective captures the complexities of interests at the macro-, meso-, and micro-levels of institutional analysis.

Moreover, I expand upon Meyer and Jepperson's (2000) notions of ongoing historical and cultural constructions of modern actors by capturing the malleability and

complexity of interests. Moreover, throughout this thesis, I portray the enactment of interests and the interdependent relationships that emerge from these enactments. As illustrated through the ongoing historical construction of U.S. chambers of commerce as an institution, not only were the interests reshaped, but also the institution morphed from a social space that pursued the interests of business owners to a social space that pursued the unified interests of the chambers of commerce themselves. Furthermore, chambers of commerce were described through their multiplicity of interests as they participated in a number of figurations, improving upon Scott's (1987) suggestion that firms pursue profits, political parties pursue votes, and universities pursue publications.

#### **6.1.1. Limitations and Future Research**

Limitations are discussed throughout the papers, however, this thesis as a whole also includes inherent limitations. First, I draw conclusions about the institution of U.S. chambers of commerce on a national level; however, my sample includes the 213 chambers of commerce throughout the state of Michigan. I couple these 213 local chambers of commerce with the state-level chamber of commerce, chamber professional associations, and the U.S. Chamber of Commerce; however, my sample does not include chambers of commerce from other states. The decision to explore each chamber in the state of Michigan enabled me to gain a detailed perspective, but presents evident implications for generalizeability.

Second, on a theoretical level, I discuss a number of perspectives throughout my critical review of the literature, yet adopt a single perspective for empirical exploration. By adopting this approach, this thesis is guilty of exploring interests through a specific

viewpoint. I do, at the same time, believe that the approach that I did adopt emerged by coupling both the strengths of the literature and my critiques of the literature.

Third, this thesis is exploratory. I do assert a reciprocal relationship between chambers of commerce and external issues including economic, community, and legislative development; however, I do not use a methodology that is capable of defining any causality. These types of causal connections fall beyond the scope of this research.

Although the thesis makes a number of significant contributions, it also raises a number of questions to be explored in future research. I believe that the organizational institutionalism perspective would benefit from further empirical research that explicitly explores the phenomenon of interests, especially through the philosophical lens that is presented throughout this thesis. I suggest the importance of interests in relation to figurations and social games, however, do not discuss the implications of these phenomena on organizational identity. There is much to learn regarding the relationship between organizational interests and identity. Moreover, a key emphasis throughout the papers is the multiplicity of interests. However, I do not engage in a dialogue regarding the centrality or a hierarchy of organizational interests. Do some interests play a more important role for organizations than others? Perhaps most importantly, at least in my mind, I believe the concept of institutional fiber presents a more realistic perspective of organizations through the viewpoint of the organization. Without a doubt, this concept needs to be further defined and explored. And finally, to my knowledge, this thesis marks the first significant empirical exploration of U.S. chambers of commerce. As a context that embraces collaboration over market competition, I believe that I have only

touched the surface regarding what can be learned about chambers of commerce, and community development organizations more broadly.

### **6.1.2. Conclusion**

This thesis as a whole contributes to the organizational institutionalism literature by presenting a phenomenological view capturing the roles of interests as chambers of commerce enact institutional expectations in locally appropriate ways. Interests, in this light, are ongoing social constructions representing interdependent actors, as they construct abstractions of perpetually changing institutional expectations and societal conditions. I have demonstrated both theoretically and empirically that exploring the phenomenon of interests is vital to better understanding the complexities of organizations within the social spaces that they exist.

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