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New Institutionalism in Higher Education

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New institutionalist theory and research (which synthesized organizational theory and classic institutionalism) is an established approach to inquiry in the field of higher education research. Its aim is to shed light on how universities and other higher education organizations shape and are shaped by their interaction with economic, political, cultural, and other social subsystems; how they change as a result of global trends and policies; and how and why they differ across and within countries. It complements and extends functional and rational approaches to organizations by foregrounding the way institutional structures emerge from processes of institutional isomorphism, by which a new organization attempts to gain legitimacy by imitating the institutional forms and structures of established institutions. It views educational institutions as key producers of social cohesion by supplying the shared beliefs that generate shared cultural meanings.

This entry sketches new institutionalism's scope and domain, reviews the intellectual roots of the institutional approach, considers selected contemporary applications of institutionalist approaches in research on higher education, and comments on 21st century frontiers of the theory.

Scope and Domain

To most institutionalists, education (schools, colleges, and universities, but also homeschooling, religious education, and informal education) stands out as one of only a handful of key social institutions—next to the family, the economy, religion, government, and science. Higher education takes its place in this nexus of institutions, as it globally expands in size and grows in strategic importance everywhere, thus offering a crucial case of institutional diffusion, a focus of new institutionalism. While for most of its history the university produced leading elites in religion, government, and education, in the 21st century, it increasingly serves to prepare a growing student population for careers in industry and the professions, as well as for advanced research and teaching. Higher education has also transformed many occupations, as entire labor markets upgrade their skill requirements. While higher education across the globe exhibits considerable isomorphism as individual nation-states strive to emulate perceived *best practice* institutions, the organizational forms in which higher education unfolds, and their general effect, can also differ greatly between and within countries and cultures.

An interdisciplinary field with roots in classical social theories and modern social and organizational theories, contemporary institutional theory complements macro-theories like modernization, systems, or rational choice. Many of its contributors aim to produce work that is both explanatory and relevant for policy and practice. An example is the case of the technology transfer offices that sprang up at universities around the world after the precedent-setting Bayh–Dole Act (1980) in the United States allowed universities to seek commercial patents and market inventions. Universities quickly began adopting such offices, although the costs of maintaining them are not reliably recovered by the gains from technology transfer. Institutional studies thus seek to uncover the intended and often unintended consequences brought about by the complexity of social structures and change processes.

New institutionalism, also known as *neo-institutionalism*, enjoys great and growing methodological diversity and sophistication. Indeed, case studies, ethnographic studies, cross-cultural and historical–comparative studies, as well as sophisticated use of large-scale quantitative data, for example, in network analyses, have all been profitably employed in institutional research.

Origins and Evolution

Classical Roots

Most pioneering contributions to social science and social thought have also contributed key ideas to our thinking about institutions. In *The Republic*, Plato discusses the merits of different institutional regimes (aristocracy, democracy, and oligarchy) and the demands they make on education. The European Enlightenment pioneered by writers like Jean-Jacques Rousseau, Alexis de Tocqueville, Adam Smith, and David Hume, as well as American founders like James Madison, focused on how institutional configurations might affect human liberty and equality and frequently drew out implications for education.

Likewise, the founders of sociology have provided crucial insights for the analysis of institutions. Karl Marx's studies of the political economy revolved around the relationship between a profit-driven economy and political and social institutions, especially the state. He observed a clash between endogenous growth of the productive forces spurred by capitalism and inertial institutional structures (especially the institutions of private property). Emile Durkheim (1858–1917), who focused much of his work on understanding the changing forms of social community and cohesion (*solidarity*) as well as education, saw sociology as first and foremost a science of institutions. The social scientist with the most explicit and ambitious institutionalist agenda may well have been Max Weber (1864–1920). His work on the new phenomenon of modern bureaucracy, his emphasis on legitimate authority, and the impact of religious ideas on institution-building (i.e., institutionalization of capitalism) remain a starting point for contemporary institutionalists interested in understanding the relation among ideas, interests, and historical changes.

The New Institutionalism

Scholars in the 1960s and 1970s found that classical institutionalism often did not articulate sufficiently the economic and social realities of a society dominated by large-scale organizations. What was the place of institutions and institutional forces in that society? By what mechanisms have they been shaped? How were they structured and governed? These questions were addressed in several papers published in the 1970s that reshaped and rejuvenated institutional research and forged a new synthesis between institutional and organizational theory.

The first of these papers, by John W. Meyer and Brian Rowan in 1977, asked how organizations become institutionalized and how institutional forces shape and often overwhelm the technical–rational logic espoused by organizations. The second paper, by Paul DiMaggio and Walter Powell, asked by what mechanisms institutionalized organizations managed to develop their often strikingly similar formal structures and processes. In addressing these issues, these papers articulated and elaborated the concepts of rational myth (stories drawing on science or reason for sensemaking), legitimacy (a legitimate practice is one that is widely accepted), isomorphism, and loose coupling (loose couplings in organizations exhibit degrees of indeterminacy between cause and effect). A key insight was that, in contrast to economic theories of organizations that saw them as utility-maximizing entities, organizations survived and thrived if they achieved legitimacy by invoking and enacting rational myths (e.g., about the superiority of certain technologies or organizational practices), by insulating or *buffering* the organization's technical core, and by making themselves similar to established organizations or institutions that had already achieved such legitimacy.

These insights were further developed in pioneering work by organization theorists James March and Karl Weick, who tackled the problem of formal organizational structure and rational decision-making. Using schools and universities for empirical illustration and elaboration, they suggested that, contrary to assumptions of classical organization theory, the relaxation of tight coupling of roles and positions in favor of loose coupling had the potential to make organizations more stable during conditions of uncertainty or ambiguity.

Second-Generation Work

Building on these foundational contributions, a second wave of institutional research developed in the late 1980s and 1990s as a response to social phenomena and to emerging conceptual or analytical tools. One shift that was observed globally was *from states to markets* as educational institutions lost their traditional place as part of a government-protected polity organized by or in public bureaucracies. Instead, they were found to be increasingly lodged in and subject to markets and the private sector. This shift was reflected in a worldwide adoption of new policy instruments and policy themes such as choice, participation, privatization, new public management, and the harnessing of education as supplier of human capital. Broad curricular shifts reflected the rising importance of the social sciences vis-à-vis the natural sciences and humanities.

Another phenomenon to which institutional theory responded was the emergence of a system of global governance, spurred by global rankings and loosely organized around a set of global actors including UNESCO, OECD, or the World Bank, which raises new questions about any nation's ability to act as a sovereign authority over (higher) education in a globalized world in which higher education and science have greater significance.

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

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

Contemporary Research

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

Levels of Analysis

Taken as a whole, the neo-institutional research largely focused on mechanisms and processes on three levels of analysis: (1) worldwide diffusion of institutional models, (2) national and local persistence, and (3) institutional reproduction through such mechanisms as learning, borrowing, or institutional work. The *world polity approach*—in studies conducted mainly by sociologists—helps to explain the global diffusion of formal structures, norms, and standards as well as persistent decoupling between policies and practices. This perspective has emphasized the tremendous expansion of higher education and science in all parts of the world; organizational, disciplinary, and curricular shifts over the 20th century; and unexpected exponential growth in the production of scientific knowledge. Policy diffusion processes depend on a range of mechanisms, from

the social construction of education as a human right, to learning, competition, and coercive governance.

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

A third group of studies considers *inter-institutional learning* processes using concepts like *borrowing* (by which institutions change as they borrow practices from other institutions) as well as the translation and transfer of institutional models and ideas (e.g., the migration of Humboldt's university ideals to other countries) and applying methods like discourse analysis to help clarify multilevel processes of diffusion.

Themes

Reflecting emerging institutional realities of higher education are research streams that cluster around three themes.

Global Governance

An important area of research attends to the forms of governance that are filling the gap left by the waning role of the national authority. This includes both forms of supranational governance, such as the standards-oriented Bologna Process or European Union–facilitated cooperation, and forms of soft governance driven by members of epistemic communities organized in global nongovernmental organizations and relying more on the use of other institutions as models. Institutional practices diffuse in novel ways as (inter)national organizations and policy makers produce and utilize knowledge of other countries to frame problems, guide learning, and organize competition.

Actors and Agency

As globalization challenges national conceptions and control of higher education and financial crises and rising costs affect higher education governance, agency is often seen to be moving from government and ministerial levels to universities. As state control lessens, universities increasingly operate as independent actors, placing new expectations on executive leadership in higher education. Institutional researchers have responded with studies focused on organizational agency and actorhood.

Expansion and Growth

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

Policy Challenges

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

Quality Monitoring and Accountability

The monitoring of dynamics of academic and epistemic drift within diverse and differentiated higher education systems remains crucial to understanding the extent of change not only rhetorically in policy positions and statements of agenda-setting but in the complex reality of higher education institutions and organizations that have become ever more central in society. Research output is growing in importance in evaluation systems that hold universities and other research organizations accountable for public and private investments and attempt to infer outcome-relevant causal factors such as forms of governance and policy and regulatory regimes. Issues of commensuration (i.e., turning qualities into quantities for use in benchmarking, league tables, and other rankings), competition, and collaboration are receiving attention, reaching beyond the leading Anglophone higher education and science systems. The Bologna Process (a Europe-wide higher education policy coordination) facilitates coordinated national quality assurance, the transparency and recognition of qualifications obtained elsewhere, mutual recognition of duration and degrees of study courses, and individual cross-border mobility.

New Institutional Forms and Configurations

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

Human Versus Moral Capital

Universities are becoming increasingly important for ensuring success in upskilled labor markets as they continue to determine intergenerational status maintenance and social mobility for a large proportion of each cohort. As funding and policy attention have shifted from the humanities to social sciences and STEM (science, technology, engineering, and mathematics) fields, including health, especially since the mid-20th century, questions have emerged about the university's ability to survive as a key agency of cultural reproduction, social and economic innovation, and moral reflection. Scholars point to a growing elite-mass divide as result of selective government funding and fast-growing gaps in endowed income streams that make the cultivation of *market-distant* fields such as the arts and humanities difficult to maintain for all but the richest and best endowed organizations.

Frontiers in Research

The institutional study of higher education is changing as a result of technological changes, its growing economic role, and globalization, as well as in response to changes in the surrounding social sciences. Frontiers in this research area include the following:

Reverse Isomorphism

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

Institutional Design

While much institutional research has focused on the analysis of *institutional processes*, it also attends to elucidating features of *institutional design* that affect the behavior and performance of institutions (a line of thought that can be traced to the Federalist Papers by the American founders James Madison, Alexander Hamilton, and John Jay).

Globalization

The ongoing explosion of digital technologies and affordable travel worldwide are reshaping higher education. From electronic communications between scholars, instructors, and students to curricular offerings utilizing Internet platforms and blended learning (e.g., massive open online courses)—the Internet continues to transform the higher education landscape and practices. The growing investment in and popularity of educational exchange (among students, staff, and faculty) and international branch campuses has reshaped global higher education and underscores the importance of studies that examine the organizational and intercultural as-

pects of these processes.

Access and Inclusion

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

Big Data

Areas of theory and research are emerging as well, driven by enhanced access to data and analysis via open access publications and data archiving, methodological capabilities for big data, and increasing collaboration across cultural and disciplinary boundaries.

Spatial Asymmetries

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

See also Academic Capitalism; Academic Culture; Academic Structure; Bologna Process and European Higher Education Area; Higher Education Governance Systems; Institutional Analysis

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- new institutionalism
- higher education
- institutions
- religion

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