Organizational Responses to Institutional Complexity: The Case of Beverage Industry and Obesity

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Abstract

With operating environments becoming more complex, companies increasingly face multiple demands by various stakeholders. Institutional complexity (IC) arising out of potentially competing demands not only poses a legitimacy threat but also provides interpretive opportunities for organizations trying to balance these demands. Taking a discursive approach and drawing on organizational discourse, the purpose of this dissertation is to understand the ways in which organizations respond to IC and potential consequences of such responses. The phenomenon is explored in the context of corporate social responsibility (CSR), which is understood to increase IC in general. More specifically, the focus is on organizations whose core business is perceived to be directly associated with a CSR problem, which can be understood to increase IC in particular. The American beverage industry responding to the issue of obesity was chosen as the empirical case to represent this context.

The empirical case is studied from different theoretical perspectives in four essays. Essay 1 combines the approach of CSR as sensemaking and sensegiving activity with the concept of narcissistic organization to examine the rhetorical strategies of the industry trade association. Essays 2 to 4 focus on the leading organization of the industry. Essay 2 adopts a paradox perspective to the management of IC and examines the dynamics of a defensive response to conflicting demands. Essay 3 uses the concept of institutional logics to explore how the community logic can be leveraged as a strategic and flexible resource in attending to new external demands. Essay 4 draws on the (de)legitimation literature to examine how the public perceives the organizational attempts to maintain legitimacy in responding to IC.

This dissertation contributes to our understanding of how organizations skillfully utilize their interpretative capabilities in symbolically managing IC. This is done by opening up the discursive practices, narrative constructions and rhetorical strategies organizations use to fend off threatening demands and defend legitimacy. This dissertation also expands our knowledge of the implications of these responses for both stakeholders and organization-stakeholder relationships, not just for organizational practices and structures. This is done by showing how symbolic management of external demands can imply new goals, practices and roles for stakeholders and seek to (re)define relationships between different stakeholders. Furthermore, this dissertation examines the implications of organizational responses for organizational legitimacy. This is done by demonstrating how organizational attempts to maintain legitimacy can lead to an unintended consequence of delegitimation and highlighting the multidimensionality of this (de)legitimation extending beyond the issue in question.

Keywords institutional complexity, organizational discourse, legitimacy, corporate social responsibility
Tiivistelmä

Tämän väitöskirjan tarkoitus on tutkia, kuinka organisaatiot reagoivat institutionaaliseen monimutkaisuuteen ja millaisia seurauksia niiden reaktioilla on. Ilmiötä lähestytään organisaatioidiskurssin näkökulmasta yritysten yhteiskuntavastuun viitekehyksessä, jonka ymmärrätään yleisesti lisäävän institutionaalista monimutkaisuutta. Tutkimuksessa keskitytään yrityksiin, joiden ydinliiketoiminta yhdistetään johonkin yhteiskunnalliseen ongelmaan, minkä voi ymmärtää erityisesti lisäävän institutionaalista monimutkaisuutta. Empiiriseksi esimerkiksi on valittu virvoitusjuomateollisuus ja sen suhde ylipaino-ongelmaan.

Ilmiötä tarkastellaan erilaisista teoreettisista näkökulmista neljässä esseessä. Esessä 1 tutkitaan toimialajärjestön retorisia strategioita. Teoreettisessa viitekehyksessä yhdistetään narsistisen organisaation käsite ja näkemys yhteiskuntavastuuun merkitsevästi yhteydessä. Esessissä 2, 3 ja 4 keskitytään institutionaalisten toimintatilojen käsitettä ja tutkitaan, kuinka yhteisölogiikka voi strategisesti ja joustavasti käyttää työkaluna vastattessa uusiin vaatimuksiin. Esessä 4 hyödynnetään (de)legitimointikirjallisuutta ja tutkitaan, kuinka suuri yleisö reagoi yritysten pyrkimyksiin ylläpitää legitimiteettiään vastatessaan ristiriitaisiin vaatimuksiin.

Tutkimus edistää ymmärrystä siitä, kuinka yritykset taitavasti hyödyntävät tulkinnallisuutta pyrkiiessaan symbolisesti hallitsemaan institutionaalista monimutkaisuutta. Se valottaa diskursiivisia käytäntöjä, narratiivisia rakennelmia ja retorisia strategioita, joita organisaatiot käyttävät torjuakseen uhujaan vaatimuksia ja puolustakseen legitimitetettä. Tutkimus myös lisää tietoa organisaatioiden reaktioihin vaikutuksista sidosryhmihin sekä organisaatioiden ja sidosryhmien suhteisiin, joiden pyrkimyksenä on yhdistää organisaatioiden käytäntöihin ja rakenteisiin. Se osoittaa, kuinka ulkopuolisten vaatimusten symbolisella hallinnoinnilla voidaan pyrkia määrittelemään niin uusia tavoiitta, käytäntöjä ja rooleja sidosryhmille kuin eri sidosryhmien välisiä suhteita. Lisäksi tutkimus tarkastelee organisaatioiden reaktioihin vaikutuksia niiden legitimitetettä. Se näyttää, kuinka pyrkimykset ylläpitää legitimitetettä voivat johtaa tahattomasti organisaation delegitimointiin ja korostaa delegitimoinnin monitahoisuutta yli kyseenalaistettavaksi.

Avainsanat
institutionaalinen monimutkaisuus, organisaatioidiskurssi, legitimitettä, yritysten yhteiskuntavastuu

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Acknowledgements

As an avid athlete, I am grateful for having been able to make this amazing and inspiring "marathon". It has been a journey full of what I love the most: learning new things every day, challenging my thinking, analyzing information and evaluating it critically and, finally, using words to spell it all out and share it with others.

Like everyone who has ever taken on this task, I owe my deepest thanks to many people, but above anybody else to my advisor Johanna Moisander. She saw potential in me and thus gave me the opportunity to realize my goal in the first place. She did not only guide me, but what is more important I always felt that she had my back, and I hope I have been able to show my respect and gratitude to her along the way. She also was my co-author is my first ever paper, helping me to learn the ropes. I also want to thank my other co-author, Kathryn Fahy, of Lancaster University, who has taught me so much during our joint project.

Although I worked like a hermit, doing most of my work at home, my colleagues and peer PhD students were a source of support and also information on what was going on around me as I sat in my home office. I have truly enjoyed joining the ranks of academia, where I have met so many intelligent and intellectual people. I express special thanks to Ella Lillqvist, Minna Logemann, Pirjo Tiittala, Mark Badham and Luke Humphries for sharing the joys and the hard times, keeping company in conferences and seminars and also for providing valuable tips.

I thank Professor Palazzo, University of Lausanne, and Associate Professor Johanna Kujala, University of Tampere, who kindly agreed to act as pre-examiners of this dissertation and took on the task of evaluating the merits and the shortcomings of my work. I am very honored that Professor Palazzo was also willing to take the time to travel to Finland to further challenge me as my opponent.

I also gratefully acknowledge the employment offered by the Departments of Communication and Management Studies as well as the financial support provided by the HSE Foundation, the Finnish Cultural Foundation and the Foundation for Economic Education.

I would not be what I am in this life without my parents, who have given me my basic values, always believed in me and never questioned my choices (at least aloud), just provided unconditional support and love. Special thanks go to my mother, who listened to me talk about the highs and the lows of this process
over the phone, trying to understand what an earth I was talking about and always taking my side and showing sympathy. Through the academic world I also learned to know Taija, who has become a very important friend. She has always unwaveringly believed in me and my abilities, but most importantly, she has made my journey lighter by sharing numerous laughs with me, mostly about one of us. I also would not have made it through these over five years alive and sane without my best friend, Outi, who was always just an email away. She perhaps better than anyone else knows how this process was for me, hour by hour, day by day. Without her I would have been lost.

My final words go to my husband Nils. Although everybody who really knows me knows no words are needed here, as a lover of words, I, nevertheless, want to vocalize this: Knowing that you will always be there for me and with me makes everything else in this life so easy.

Helsinki, June 2017

Kirsti Iivonen
List of Essays

This doctoral dissertation consists of an introduction and the following essays, which are in the text referred to by their numerals:


1. Introduction

In our past three global CEO studies, CEOs consistently said that coping with change was their most pressing challenge. In 2010, our conversations identified a new primary challenge: complexity. CEOs told us they operate in a world that is substantially more volatile, uncertain and complex. (IBM, 2010)

1.1 Central Phenomenon of the Study

With their operating environments becoming increasingly complex, challenging and fast-changing, companies find themselves facing multiple and often competing or even contradicting demands and having to address different kinds of issues arising out of the activities and requirements of others. Such complexity entails ambiguity and fragmentation and increases the potential for incoherence and conflict (Bromley & Powell, 2012; Kraatz & Block, 2008; Scherer, Palazzo, & Seidl, 2013; Smith & Lewis, 2011).

For organizations, managing this institutional complexity arising out of potentially competing and conflicting prescriptions or expectations by multiple institutional stakeholders and audiences (Greenwood et al., 2010, 2011; Kraatz & Block, 2008) is first and foremost a legitimacy issue. Addressing conflicting demands in pluralistic environments creates a dilemma: choosing to satisfy one demand might mean others will be violated, putting the organizations' legitimacy at risk (Kodeih & Greenwood, 2014; Pache & Santos, 2010). Institutional complexity thus poses new challenges and threats to organizations, whose ultimate goal, in attempting to manage competing and conflicting demands, is to secure their social license to operate and to access critical resources (Baumann-Pauly, Scherer, & Palazzo, 2016; Greenwood et al., 2011; Kraatz & Block, 2008; Scherer et al., 2013). On the other hand, conflicting demands also create interpretive and strategic ambiguity (Lounsbury & Boxenbaum, 2013) that can afford organizational actors more discretion in dealing with these demands. Consequently, companies' success may fundamentally depend on how they respond to legitimacy-threatening demands (Smith & Lewis, 2011) and utilize the potential ambiguity arising out of conflicting demands. It is these organizational responses to institutional complexity that I am interested in examining in this dissertation.

Following the intensified external influences on organizations, which have made organizations in general and companies in particular more difficult to
manage (Pirson & Turnbull, 2016), there has been an increased, or rather a re-
newed, scholarly interest in institutional complexity and its implications for or-
ganizations (Bromley & Powell, 2012; Greenwood et al., 2011). Scholars have for
long been interested in understanding how organizations respond to institu-
tional pressures toward conformity. By outlining five organizational response
strategies ranging from acquiescence and compromise to avoidance, defiance
and manipulation, Oliver, however, already in 1991, advocated a more active
and strategic perspective on organizations’ responses to their institutional envi-
ronments than what institutional theory then assumed. Around the same time,
Ashforth and Gibbs (1990) suggested that organizations can adopt either sub-
stantive or symbolic practices in dealing with conflicting institutional demands
and hence in attempting to maintain and protect their legitimacy.

Following the path opened by these scholars, research on organizational re-
sponses to institutional pressures has for the past decades mostly focused on
explaining why an organization might choose a particular strategy or examining
how organizations can symbolically manage conflicting demands by, for exam-
ple, decoupling (e.g. Bromley, Hwang, & Powell, 2012; Bromley & Powell, 2012;
Crilly, Zollo, & Hansen, 2012; Fiss & Zajac, 2006). Decoupling is generally un-
derstood as the process in which organizations seek to separate their normative
or prescriptive structures from their operational structures (Pache & Santos,
2010). In decoupling, policies and/or practices are symbolically adopted or im-
plemented so as to keep the organization’s core tasks and goals intact.

Another way to approach institutional complexity is to conceptualize compet-
ing prescriptions on organizations as institutional logics (Thornton, Ocasio, &
Lounsbury, 2012). Within this field, the focus has predominantly been on field-
level institutional complexity: earlier studies mostly examined how fields move
from one overarching and dominant logic to another; more recently research
has also attempted to understand how organizations or other social actors in
multi-institutional settings deal with multiple field-inherent logics that coexist
over extended periods of time. Organizations have been found to manage ‘per-
sistent’ competing or conflicting demands by attempting to blend, mix, bridge
or even hybridize them (e.g. Christiansen & Lounsbury, 2013; Glynn & Louns-
bury, 2005; Meyer & Hammerschmid, 2006; Pache & Santos, 2013)

1.2 Specific Context of the Study

Empirically, I was inspired to study organizational responses to institutional
complexity by an animated mock video called The Real Bears. The video, which
features Coca-Cola’s iconic polar bear mascots and a very upbeat and catchy
song with words like “happy” and “sugar”, was released 2012 by the consumer
advocacy group Center for Science in the Public Interest as a part of its adver-
tising campaign against soft drinks. In the video, the polar bears are depicted as
overweight and suffering from weight-related health problems such as diabetes,
gout and erectile dysfunction. The video seems to imply that an iconic beverage
company with one of the world’s best known brands is hurting people by making
them unhealthy through its core products and that it should do something about
the problem. This implied message about the complex institutional relationship between the beverage industry and obesity provided the original impetus for the study.

Based on this empirical context, there are two lines of inquiry related to institutional complexity that further define the context of this study. First is the concept of corporate social responsibility (CSR). The increased calls for CSR and sustainable business operations during the past few decades have contributed to the increased intricacy of the business environment as companies have been facing demands to take on some responsibility not only for their financial performance but also for wider societal good (Matten & Moon, 2008). Seeking to balance often divergent economic, social and environmental goals creates challenging organizational situations rife with tensions and increases the complexity of managerial processes (Fleming & Jones, 2013; Hahn et al., 2015; Margolis & Walsh, 2003; Pirson & Turnbull, 2016).

With businesses being required to act more responsibly towards society at large, sustainability problems related to the production, distribution and consumption of goods and services increasingly challenge the corporate legitimacy (Scherer et al., 2013). Consequently, attempts to integrate CSR into corporate management and performance can be seen as legitimacy-seeking acts (Margolis & Walsh, 2003; Palazzo & Richer, 2005; Scherer et al., 2013). At the same time, however, they are also legitimacy-threatening, as responding to one set of expectations might risk violating another (Margolis & Walsh, 2003).

In responding to institutional pressures about CSR and hence attempting to protect their legitimacy, organizations can, however, be seen as having some strategic discretion because there still is no clear consensus on the meaning of CSR: It remains an ambiguous and open-ended concept with many different meanings (Christensen, Morsing, & Thyssen, 2015). This allows companies to (at least partially) define both the content and direction of their responsibility in a way that suits their own interests (Ihlen, 2011; Matten & Moon, 2008). Because of the ambiguity of the concept of CSR itself and of the tensions recognized between the economic goals of corporations and the social and environmental aspects of sustainability, pressures for CSR provide an interesting context for advancing our understanding of institutional complexity and organizational attempts to manage it. Consequently, calls have been made for further research and more fine-grained analysis to increase our knowledge of tensions in corporate sustainability, of how companies actively make sense of their role and responsibilities related to CSR (Castelló & Lozano, 2011) and, especially, of how discursive processes and strategies are used by organizations to construct the meaning of CSR and a sense of legitimacy (Štumberger & Golob, 2016).

Another, embedded line of inquiry relevant for this empirical context is the study of companies whose core business activities are directly related to specific CSR concerns (Lee, Van Dolen, & Kolk, 2013). All companies face pressures to behave responsibly, but the most complex tensions and thus also the greatest challenges related to institutional complexity are arguably faced by those companies and industries whose core products or services can be seen as
unsustainable or socially irresponsible in ways that cause harm to people and/or environment and hence incur social costs. Traditionally, such industries as tobacco, alcohol and gambling have been considered controversial (Cai, Jo, & Pan, 2012). With the increasing knowledge and awareness and the changing societal norms and environment, legitimacy of other industries, such as oil, nuclear and biotech, has, however, also become challenged (Du & Vieira, 2012; Lindgreen et al., 2012). Likewise, such conventional and also essential industries as the food industry have found themselves facing demands to take responsibility for the effects of their unhealthy products (Darmon, Fitzpatrick, & Bronstein, 2008; Langlois et al., 2006).

For companies whose core business and products are causally linked to a CSR concern, there can be said to exist a paradoxical conflict (Smith, Gonin, & Besharov, 2013) between their economic goals and one or more of the other dimensions of sustainability, which they are pressured to attend to as well. Paradoxicality here means that two or more elements are conflicting yet interrelated and intertwined (Lewis 2000; Smith & Lewis 2011). A tobacco company’s economic goal requires selling more cigarettes, which is positively correlated with the social issue of increased health problems related to smoking and negatively correlated with the social goal of reducing health problems related to smoking. For this reason, examining how such companies and industries respond to pressures to be socially responsible in that particular issue provides a fruitful ‘extreme’ context for increasing our understanding of how organizations respond to institutional complexity and thus attempt to manage legitimacy. Consequently, there have been calls to better understand how companies in controversial or contested industry sectors deal with CSR and legitimacy threats (Lindgreen et al., 2012).

1.3 Motivation for the Study

This study has been theoretically motivated by the fact that despite the advances made within the different streams of research on institutional complexity, as described in section 1.1, we still only have a modest understanding of the critical organizational responses to institutional complexity (Greenwood et al., 2011; Kodeih & Greenwood, 2014; Thornton et al., 2012; Vermeulen et al., 2014). A focal argument guiding this study is that to further increase our understanding of organizational responses to institutional complexity it is not enough to merely examine organizational response strategies. Strategies, by definition, seek to achieve particular goals, and therefore it is necessary to examine also the implications of particular response strategies in specific contexts and situations of complexity. To advance this aim, we need to combine research in the following three closely related and intertwined dimensions of organizational responses to institutional complexity, which only together can provide a fuller picture of this phenomenon.

First of all, there is still a dearth of empirical research on organizational, and especially corporate, response strategies to complex institutional demands (Baumann-Pauly et al., 2016). Especially our understanding of strategic as well
as interpretive and creative latitude (Greenwood et al., 2011; Suddaby, 2010; McPherson & Sauder, 2013; Voronov, De Clercq, & Hinings, 2013) organizations have in their actions to manage competing demands and potentially alleviate the tensions arising out of complexity or a threat thereof, is still limited. Hence, we need more research examining the limits of the strategic discretion (Greenwood et al., 2011) and the interpretive and creative capacities of organizations that draws on seeing organizations as “much more sophisticated managers of symbolic resources than organizational theory presently admits to” (Suddaby, 2010: 18). This entails adopting a perspective of organizations as mediators and lenses of their institutional environments that interpret, translate and even transform institutional demands imposed upon them (Greenwood et al., 2011; Suddaby et al., 2010). It also requires exploring how organizations actively engage in interpretive sensemaking of and sensegiving to the demands their face and their relationship to these demands (Castelló & Lozano, 2011). By taking such an approach, this dissertation helps uncover those potentially more diverse types of responses, which arise out of the growing fragmentation and contestation of fields but which might not be well or fully explained by factors identified and typologies outlined in the previous research on institutional pressures (Bertels & Lawrence, 2016). In particular, this dissertation extends our understanding of defensive responses: it moves beyond ‘mechanical’ decoupling, one of the main coping devices for institutional complexity (Misangyi, 2016), and towards exploring creativity and manipulation put to use in situations where organizations are unwilling or unable to resort to outright resistance or defiance, other recognized forms of defensive responses (Smets et al., 2015).

Second, calls have also been made to better understand the organizational consequences and implications of their responses (Baumann-Pauly et al., 2016; Meyer & Höllerer, 2016). This line of research has been focused on examining the implications for organizations that result from organizations and their members adopting, accepting or adjusting to, and sometimes transforming, diverse demands they face. The implications studied within the existing research can be categorized as being structural, procedural or more ‘ideational’ in nature. Structural implications call for structural fluidity and require organizational adjustment through, for example, new organizational designs (Baumann-Pauly et al., 2016). Procedural implications mean that organizations end up establishing new procedures, protocols and practices to respond to institutional complexity (Greenwood et al., 2010; Greenwood et al., 2011; Lok, 2010; Raaijmakers et al., 2015). ‘Ideational’ implications encompass, for example, developing new organizational competencies and skills and adopting new roles, identities and responsibilities (Greenwood et al., 2011; Lok, 2010). As Lounsbury and Boxenbaum (2013) posit, research on how organizations facing multiple institutional demands establish or change, for example, their identities and core practices has begun to form a scholarly stream.

This stream of emerging research thus emphasizes the implications for organizations that result from organizational adjustments made in response to di-
verse and conflicting demands. This line of thinking, however, completely ignores the symbolic management of institutional complexity: Symbolic responses usually stem from the unwillingness or even inability of organizations to make required adjustments and often entail leveraging strategic discretion and interpretive capacities to alter stakeholders’ views so as to avoid pressures arising out of their demands. This kind of manipulation has been widely referred to in the literature (e.g. Bromley & Powell, 2012; Friedland & Alford, 1991; Oliver, 1991; Pache & Santos, 2010; Scherer et al., 2013; Suchman, 1995; Suddaby & Greenwood, 2005; Thornton et al., 2012), but its implications, I argue, have not truly been examined in more detail.

Manipulation in the face of ‘uncomfortable’ demands is organizations’ attempt to influence the perceptions of their stakeholders and the broader public. The aim is to create an environment in which organizations can enact their claims by advocating new explanations of social reality and changing the content of institutional expectations, values and beliefs (Oliver, 1991; Scherer et al., 2013; Suchman, 1995). This kind of manipulation does not, however, have to merely entail a re-portrayal of the organization itself (cf. Wæraas & Ihlen, 2009) as meeting the expectations in the eyes of its audience, for example, through decoupling and compartmentalization. If we are to take seriously the claims about the creative and interpretive capabilities of organizations in managing symbolic resources, and if we understand symbolic management arising out of the unwillingness or inability of an organization to accommodate new demands, the exploration of implications should not only be limited to organizational implications, that is how organizations interpret their own roles and responsibilities, but should also be extended to potential external objects and/or goals.

This kind of manipulation of the ‘environment’ has not received any attention in the extant research. This dissertation therefore offers an important extension to our understanding of the implications of organizational responses to institutional complexity by exploring also how the symbolic management of conflicting demands by organizations might entail implicating actors outside the organization. This research thus pays attention to how organizations might seek to invoke new values, beliefs, practices, roles, identities and responsibilities related to conflicting demands on their stakeholders, beneficiaries or other audiences. Such expectations or (re)definitions of stakeholders could then have implications for the relationship between the organization and the stakeholders as well as between different stakeholder groups. This, in turn, might affect the perceptions of organizational legitimacy in the eyes of the stakeholders, which leads us to the third dimension of organizational responses to institutional complexity. Organizational responses, both substantive and symbolic, are seen as important because they have implications for organizational legitimacy (Greenwood et al., 2011, Kraatz & Block, 2008). This is broadly acknowledged in the literature, but empirical studies of the influences of organizational responses on the perceptions of organizational legitimacy in complex environments are still lacking (Baumann-Pauly et al., 2016). As organizations respond to conflicting demands in order to gain, protect or maintain their legitimacy, it is of utmost importance
to understand more about how their responses are perceived by stakeholders and how they therefore affect organizational legitimacy.

This perspective redirects the spotlight on organizational implications, but it requires extending research outside the organizational realm as legitimacy is granted to organizations by their stakeholders, most of whom reside outside the organization. Taking this external perspective in one of the essays, this dissertation increases our understanding of the legitimacy consequences of organizational responses to conflicting demands. This is done by examining a situation that is particularly challenging for organizations: As symbolic management and manipulation are less controllable means of dealing with conflicting demands than substantive management (Suchman, 1995), organizations engaging in such practice face a higher risk of exposure and potential loss of legitimacy (Scherer et al., 2013). Focusing on such a context will help us better understand both potential limitations and unintended consequences of (the intended organizational actions of) symbolic management and manipulation.

1.4 Aim and Research Questions of the Study

Based on the central phenomenon of the study and the specific context arising out of the empirical case as well as on the three related areas of inquiry requiring further research as described above, the purpose of this study is to advance our understanding of organizational responses to institutional complexity created by competing, conflicting demands. Following this general aim, this dissertation seeks to provide answers to the following overarching research question:

*How do organizations symbolically respond to and seek to manage institutional complexity arising out of conflicting, and even paradoxical, demands placed upon them by different stakeholders?*

As outlined in section 1.3, the strong link between organizational responses to institutional complexity and organizational legitimacy in general as well as the nature of symbolic response strategies in particular call for the examination of not only symbolic response strategies but also their implications for both organizations and their stakeholders and audiences.

Because of the particular interest placed in the creative leeway and interpretive capabilities of organizations in responding to institutional complexity and the central role language and communication is generally understood to play in managing legitimacy and thus also competing demands and institutional complexity (Baumann-Pauly et al., 2016; Castelló & Lozano, 2011; Lammers & García, 2013; Ocasio, Loewenstein, & Nigam, 2015), the aim of the study is best understood to be achieved by focusing on organizational discourse. This entails adopting a discursive approach to organizational and institutional phenomena. This approach sees language and symbolic interactions in organizational discourse not merely as expressions or reflections of organizational and institutional reality but rather as constitutive of them (Hardy & Phillips, 1999).
Drawing on the theoretical and methodological premises of the study, answers to the overall research question and its extensions are searched by conducting separate studies, as presented in the essays. In these studies, the following, more specific questions are explored:

**Essay 1:**
- How does a trade association representing an industry that faces conflicting demands related to its core business attempt to manage institutional complexity?
- What kind of rhetorical strategies and tactics are used to respond to conflicting demands?
- What implications do these rhetorical strategies pose for different stakeholders and their relationships with the industry and each other?

**Essay 2:**
- How does a central organization of an industry attempt to manage institutional complexity stemming from new demands paradoxically conflicting with its economic goal?
- What kind of defensive responses are used to deal with the paradoxical conflict and what do they tell us about institutional complexity?
- What implications do such defensive responses have for stakeholders?

**Essay 3:**
- How does a central organization of an industry attempt to manage institutional complexity by leveraging the community logic as a strategic resource?
- What narrative practices are employed to include new demands into an existing community?
- What implications do these narrative practices pose for stakeholders?

**Essay 4:**
- How does the large public perceive the legitimacy of a central organization of an industry attempting to manage institutional complexity stemming from conflicting demands related to its core business?
- What discursive practices are used by the public to construct the organization and its industry delegitimate and socially irresponsible?

### 1.5 Introduction of the Essays

The four essays, which examine the same empirical context but use different theoretical perspectives and slightly different foci, can be seen as complementing each other to provide a rich and broad view of the phenomenon. Together the essays cover two different levels of analysis: Essay 1 operates at the industry level, examining the organizational discourse of a trade association, whereas essays 2 and 3 use data from the leading company of the industry. Essay 4 focuses on the responses by the large public, adding the salient stakeholder perspective to the equation.
In essay 1 by myself and Johanna Moisander, titled "Rhetorical Construction of Narcissistic CSR Orientation", we approach the phenomenon from the perspective of CSR as a sensemaking and sensegiving activity (Basu & Palazzo, 2008) and combine this with the concept of narcissistic organization that draws on the ego defense literature. The essay demonstrates how an organization discursively adopts an issue-specific narcissistic CSR orientation to defend its ability to continue business as usual in the face of a legitimacy threatening CSR issue. We identify several rhetorical strategies and tactics the organization uses in this endeavor and also outline the implications of such strategies for the organization-stakeholder and stakeholder-stakeholder relationships.

Essay 2 by myself, titled "Defensive Responses to Strategic Sustainability Paradoxes: Have Your Coke and Drink It Too!", adopts a paradox perspective to organizational tensions. In this essay, the term sustainability is used instead of CSR because of the special issue about sustainability paradoxes in which the essay has been published. The essay demonstrates how an organization defensively responds to a paradoxical conflict between its economic goal and a social goal it is pressured to attend through projection in a novel way: instead of externalizing the conflicting goal as is usual in projection, the organization externalizes the tension itself and the responsibility for the conflicting goal. This is done by creating secondary contradictions located outside the organization, in this case contradicting representations of both the social issue and its main stakeholders, consumers. My analysis outlines the processes and dynamics of this defensive response and helps distinguish between different types of strategic paradoxes creating institutional complexity.

In essay 3, by myself and Kathryn Fahy, titled "Community Logic as Strategic Resource - Creating and Maintaining a Symbolic Community", the phenomenon is approached by adopting the view of institutional logics as strategic resources that organizations can flexibly use to advance their own interests. The essay shows how an organization can leverage the community logic to accommodate new demands related to obesity and physical well-being into an existing symbolic community originally created to link the organization and its products to consumers’ emotional well-being. The essay describes the ways in which this is skillfully done through various narrative practices that draw on the manipulation of the logic elements but require careful balancing between continuity and change. This paper also discusses (narrative) implications of such symbolic management of institutional complexity for stakeholders.

In essay 4 by myself, titled "Constructing a Socially Irresponsible Industry through Multidimensional Public Delegitimation", the starting point is an organization’s attempt to maintain its legitimacy under pressures to attend to a CSR issue related to its core business. This attempt takes a form of an unprecedented issue-related TV advertising directed at the large public. The main focus of the essay is on the stakeholders’ perceptions of this organizational response to institutional complexity. I demonstrate how this legitimation effort by an organization, aimed at showing social responsibility, actually leads to an unintended consequence of the entire industry being constructed as socially irresponsible by the large public. The essay shows how this construction is
realized through several multidimensional delegitimation practices that draw on various discursive delegitimation strategies.

The essays’ theoretical focus, methods and key findings are summarized in Table 1. The essays’ findings and their contributions to the study of institutional complexity are discussed in more detail in Chapter 4.

Table 1. Summary of Essays

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<td>1</td>
<td>CSR as sensemaking and sensegiving; narcissistic organization</td>
<td>Rhetorical analysis; trade association blog posts</td>
<td>Develops the construct of narcissistic CSR orientation as a form of response to institutional complexity; elaborates on three defensive rhetorical strategies through which the organization attempts to persuade the consumers about the industry's legitimacy, the agenda-setters delegitimacy and the consumers' responsibility in the issue.</td>
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<tr>
<td>2</td>
<td>CSR as paradoxical conflict; defensive responses to organizational paradoxes; projection as defensive response</td>
<td>Discursive analysis of object and subject position construction; Coca-Cola’s public communication</td>
<td>Demonstrates how trying to suppress the paradoxical tension between the economic goal and a sustainability issue can lead to a creation of secondary contradictions, embedded in the original one. Shows how projection as a defensive response to institutional complexity can work in a novel way in which the tension itself rather than the conflicting goal is externalized, projected onto others.</td>
</tr>
<tr>
<td>3</td>
<td>Institutional logics as strategic and flexible resources; community as a symbolic top-down construction</td>
<td>Narrative analysis; Coca-Cola’s public communication</td>
<td>Demonstrates how an organization can attempt to respond to institutional complexity by strategically mobilizing an institutional logic. Shows how the community logic can be leveraged and flexibly manipulated at the level of its elements so as to accommodate new demands into an existing symbolic community. Identifies three kinds of narrative practices through which this is done and shows how these attempt to balance continuity and change.</td>
</tr>
<tr>
<td>4</td>
<td>Delegation; corporate social irresponsibility; networked publics and deliberative democracy</td>
<td>Discursive analysis of (de)legitimation practices and strategies; public online reader comments</td>
<td>Demonstrates how organizational attempts to respond to institutional complexity through activities intended as socially responsible can produce unintended consequences. Identifies eight discursive practices, each operating on a different dimension of (de)legitimacy, through which the large public responds to an organizational response and constructs the organization and its entire industry delegitimate and socially irresponsible.</td>
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1.6 Structure of the Dissertation

This dissertation consists of this introductory part and four essays. In addition to this Introduction chapter, the introductory part contains three other chapters. Chapter 2 outlines the theoretical framework of the study. The key concepts of institutional complexity, CSR as a source of institutional complexity and organizational legitimacy are introduced, followed by the description of organizational discourse as a theoretical perspective to the study of organizational and institutional phenomena. A brief outline of the dissertation’s conceptual framework concludes Chapter 2. In Chapter 3, the methodological choices of the study are introduced. First, discursive analysis as a method of inquiry is described and then the empirical context and cases are explained. These are followed by the
description of the empirical data and its analysis. This chapter ends with the
assessment of this study’s research quality. Chapter 4 concludes the introduc-
tory part by discussing the findings of the essays and the contributions drawing
from these findings to the study of institutional complexity. The introductory
part is followed by the four essays that form the foundation of the research con-
tribution of this dissertation.
In this chapter, the main concepts and perspectives underlying the theoretical framework of this study are discussed. The chapter is divided into three sections. The first section defines the concept of institutional complexity in general and CSR-induced institutional complexity in particular. It then explains why institutional complexity is of concern to organizations and examines what organizations can do about it. In the second section, organizational discourse as a theoretical approach to discursively studying organizational and institutional phenomena is introduced. Finally, a summary section combines these concepts and perspectives into a conceptual framework for this study.

2.1 Institutional Complexity

2.1.1 Defining Institutional Complexity

When organizations operate within several institutional domains, as they in most fields do due to their coalitional nature and multiple resource dependencies (Ocasio & Radoynovska, 2016), they face institutional pluralism (Kraatz & Block, 2008). This means that organizations are expected to follow multiple “rules of the game” of these different domains (Kraatz & Block, 2008). When these multiple rules, that is different expectations, influences, demands or pressures by various stakeholders or audiences, are experienced or understood as conflicting and contradictory by organizations, this pluralism turns into institutional complexity (Greenwood et al., 2011; Ocasio & Radoynovska, 2016).

Organizations are understood to experience increasing institutional complexity due to the ever-growing pace of change in organizations’ external environments. These changes, related to, for example, globalization, digitalization and concerns about climate change, lead to more complex operating environments with an increasing number of heterogeneous stakeholders. These stakeholders, in turn, have both a growing interest in transparency, assessment and accountability of organizations and an ability to mobilize social movements more rapidly and widely online (Baumann-Pauly et al., 2016; Bromley & Powell, 2012; Castelló & Lozano, 2011; Chiu & Sharfman, 2011).

Institutional demands on organizations can take the form of rules and regulations, normative prescriptions or social expectations (Pache & Santos, 2010). Whereas some scholars talk about “(rational) myths” (Boxembaum & Jonsson, 2008; Bromley & Powell, 2012; Meyer & Rowan, 1977; Zilber, 2006), a more popular way within research on institutional complexity is to define competing,
conflicting demands on organizations as institutional logics. Institutional logics can be understood as prescriptions that each provides its own interpretation of organizational reality, appropriate organizational behavior and organizational success (Thornton, 2004).

Empirical research on institutional complexity drawing on institutional logics has predominantly focused on such multi-institutional settings as health care and hospitals (e.g. Reay & Hinings, 2005), universities and other educational institutions (e.g. Dunn & Jones, 2010) and other governmental organizations and institutions (e.g. McPherson & Sauder, 2013). These public contexts have been seen as “rife with competing demands” (Bromley & Powell, 2012: 488), that is with various different logics simultaneously in play. Likewise, organizations based on professional partnerships such as consulting companies (e.g. Greenwood & Suddaby, 2006) and/or creative work such as symphony orchestras (Glynn & Lounsbury, 2005), design agencies and architectural firms (e.g. Jones & Livne-Tarandach, 2008) have been found to ‘house’ multiple, often competing logics. In all these contexts, logics can be understood as field-inherent, arising out of the setting of the field. Furthermore, multinational corporations have been a focus of institutional complexity research (e.g. Kostova & Zaheer, 1999; Marano & Kostova, 2016) due to their operations that span across several regulatory and value systems (Smets & Jarzabkowski, 2013).

2.1.2 CSR as Source of Institutional Complexity

The focus of this study is not, however, on field-inherent or multinational complexity but rather on new external demands arising out of changing societal norms. With the rising public concern about the sustainability of economic growth, companies are being pressured to assess social and environmental impacts of their businesses and commit to improving the wellbeing of people, communities and environment through their business practices and corporate resources (Banerjee, 2008; Bhattacharya, Korschun, & Sen, 2009; Cai et al., 2012). Consequently, even, or perhaps especially, the largest for-profit corporations that have generally been understood to be dominated by the market logic are now seeing their sole focus on maximizing profit, efficiency and shareholder value increasingly challenged by the calls for CSR and sustainable business operations.

CSR thus increases institutional pluralism for most companies. And since the new normative social expectations are often understood to conflict with the corporate profit motive (Fleming & Jones, 2013; Hahn et al., 2015; Smith et al., 2013), they also present a case of institutional complexity to companies. As Christiansen and Lounsbury (2013) note, the social responsibility (CSR) logic is understood to conflict with the dominant market logic since taking “responsibility” for people, communities and environment often means, or is at least seen to mean, restricting the efforts to maximize profits and shareholder value.

The existence of CSR-induced tensions and conflicts has been widely noted in the literature (e.g. Margolis & Walsh, 2003; Morsing, Schultz, & Nielsen, 2008; Nijhof & Jeurissen, 2010; Vilanova, Lozano, & Arenas, 2009). Critical voices see the conflict with the dominant corporate goals as problematic (Bondy, Moon, &
Matten, 2012), and some have even called CSR a “myth” (Devinney, 2009) and the corporate task of social stewardship as paradoxical or oxymoronic (McMillan, 2007).

Exactly because of this problematized relationship between corporations’ economic goals and institutional pressures for CSR, CSR presents a fruitful research context to increase our understanding of institutional complexity. It also offers an opportunity to examine institutional complexity outside field-inherent multi-institutional settings, where the conflicts often arise out of different (professional) groups’ interaction with each other.

2.1.3 Institutional Complexity and Legitimacy

Regardless of the term used to describe the incompatible institutional demands (influences, logics, myths, expectations) or the source of institutional complexity, the conflicting demands create challenges to organizations (Baumann-Pauly et al., 2016; Greenwood et al., 2011). These challenges are strongly linked to organizational legitimacy. Legitimacy can be defined as “a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions” (Suchman, 1995: 574). Organizations need legitimacy accorded to them by their stakeholders and observers, as it grants them a social license to operate, justifying their role in the social system and helping them secure critical resources and continued support for their actions (Ashforth & Gibbs, 1990).

Institutional pluralism, however, problematizes legitimacy, as it presents organizations with pluralistic legitimacy criteria (Kraatz & Block, 2008). When this pluralism presents itself as institutional complexity with conflicting legitimacy criteria, that is divergent notions about what goals are legitimate to pursue and/or what means are legitimate for pursuing specific goals (Pache & Santos, 2010), organizations face a dilemma: Trying to fulfill one stakeholder group’s demands by, for example, adopting a particular policy or practice, sends a favorable message to that group and helps garner their support. At the same time, the same action could, however, alienate another stakeholder group, likely to observe the organization’s attempts (Kraatz & Block, 2008), by neglecting, defying or violating their criteria for legitimate behavior (Chiu & Sharfman, 2011; Fiss & Zajac, 2006; Pache & Santos, 2010). A perceived mismatch or a gap between the organization’s behavior and a stakeholder group’s expectations for the organization can jeopardize organizational legitimacy (Baumann-Pauly et al., 2016; Pache & Santos, 2010). Hence, a careful balancing of resources and divergent interests is required to secure legitimacy from different, heterogeneous stakeholders (Greenwood & al., 2011; Vermeulen et al., 2014). As a consequence, organizations’ success or even survival may fundamentally depend on how they respond to and manage conflicts between different legitimacy criteria (Greenwood et al., 2011; Kraatz & Block, 2008).
Organizational Responses to Institutional Complexity

In attempting to understand what institutional complexity entails for organizations, scholars have explored the strategies organizations employ in responding to multiple demands (Greenwood et al., 2011). Studies of organizational response strategies examine whether and to what extent organizations adopt different, conflicting prescriptions urged upon them (Greenwood et al., 2011). This line of research also seeks to explain why certain prescriptions might be preferred over others and predict what response strategies will be selected in particular contexts and circumstances (e.g. Kraatz & Block, 2008; Oliver, 1991; Pache & Santos, 2010; Raynard, 2016).

Organizational responses have been categorized in different ways, often with overlap and less than clear distinctions between the different approaches. However, some of the most discussed and widely used concepts in existing research will be briefly introduced here. First, an important distinction to be made about different kinds of response strategies is that between substantive and symbolic management (Ashforth & Gibbs, 1990): Organizations can engage in the substantive management of institutional demands by making real, material changes in their goals, structures and processes. Alternatively, they can engage in the symbolic management of institutional demands, which seeks to transform the meaning of organizations’ acts, by portraying their goals, structures and processes as consistent with social values and expectations (Ashforth & Gibbs, 1990). Second, a seminal framework by Oliver (1991) suggests organizations can choose from five response strategies: acquiescence, compromise, avoidance, defiance and manipulation. Acquiescence clearly represents a substantive response strategy, whereas manipulation falls under the symbolic management of demands. The other three could include elements from both, which manifests the difficulty of making clear-cut distinctions between the two overarching categories.

Two specific aspects related to the symbolic management of institutional complexity make it, however, a particularly interesting object of study. First, symbolic management entails the implicit assumption that organizations are not merely passive recipients of institutional prescriptions but can interpret, translate and, in some cases, transform them (Greenwood et al., 2011; Kraatz & Block, 2008). Here ambiguity of demands plays an important role. When demands placed upon organizations are not specific, organizations have more discretion and strategic leeway in responding to them. Ambiguity helps organizations interpret ideas, decisions and actions as consistent and create space for differing interpretations in different situations and points of time (Meyer & Höllerer, 2016). Ambiguity also provides greater flexibility for both planning future actions and retrospectively interpreting past organizational actions (Ashforth & Gibbs, 1990; Meyer & Höllerer, 2016). The greater the ambiguity, the greater the scope for discretionary action (Greenwood et al., 2011).

For example, the market logic with its goals of maximizing profitability, efficiency and shareholder value is understood to provide a rather specific prescription of how it should be followed (Voronov et al., 2013). In contrast to the market logic, CSR is seen as a more ambiguous demand (Ihlen, 2011; Meyer &
Höllerer, 2016). As Garriga and Melé (2004) note, "corporate social responsibility means something but not always the same thing to everybody" (p. 51; citing Votaw, 1972). Hence, given the lack of specificity of CSR demands, organizations have more room for maneuver in deciding how to alleviate tensions of complexity. This ambiguous nature of CSR makes it an interesting and fruitful context of study for better understanding organizational responses to institutional complexity and especially the interpretive capacities and limits of organizations.

Another interesting aspect related to the symbolic management of institutional complexity is the suggestion that organizations facing conflicting demands prefer symbolic over substantive management: In attempting to gain or maintain legitimacy by their divergent stakeholder groups, organizations want to preserve as much of their core operations, flexibility and resources as possible (Ashforth & Gibbs, 1990; Bromley & Powell, 2012). They thus strive to achieve their legitimacy with as little constraints as possible to their ability to operate successfully (Barnett, 2006b). This often makes them favor symbolic assurances over the implementation of real changes (Ashforth & Gibbs, 1990; Bromley & Powell, 2012). Especially in cases where there is one dominant logic and/or when the relative incompatibility between different demands is high, organizations are particularly prone to resort to symbolic management strategies (Besharov & Smith, 2014; Greenwood et al., 2011; Pache & Santos, 2010). An example could be a largest for-profit corporation following the market logic that is confronted with CSR-induced demands associated with its core business (e.g. Palazzo & Richter, 2005: the tobacco industry)

As organizations still need to be careful so as not to appear as neglecting or violating certain stakeholder groups’ interests while seeking to minimize constraints to their operations, much research attention has been paid to strategies that focus on keeping conflicting demands (logics) separate at some level. Consequently, organizations have been observed to engage in such strategies as decoupling, compartmentalizing and selective coupling. In decoupling, policies are kept separate from practices (symbolic adaption) and means are separated from ends (symbolic implementation) (Bromley et al., 2012; Bromley & Powell, 2012). In compartmentalization, specific activities are separated from the rest of the organization (Kraatz & Block, 2010; Pratt & Foreman, 2000). In selective coupling, intact demands from different logics are combined by enacting select practices chosen from "a pool of competing alternatives" (Pache & Santos, 2010: 994). With these strategies, organizations strategically attempt to increase their chance of survival (Boxenbaum & Jonsson, 2008). Particularly decoupling and compartmentalization, as a form of decoupling, can be understood as strategic responses that help organizations hide their nonconformity to conflicting demands “behind a façade of acquiescence” (Misangyi, 2016; Oliver, 1991: 154).

The adoption of CSR-related policies and the implementation of CSR practices and initiatives by corporations in response to external pressures have often been accused of merely being this kind of “façade”. Scholars critical of organizations’ underlying intentions underscore the nonconforming nature of decoupling and compartmentalization strategies by calling these activities window dressing and
greenwashing (Cai et al., 2012; De Roeck & Delobbe, 2012; Laufer, 2003; Palazzo & Richter, 2005), which merely aim at protecting business interests, preventing (further) government intervention and avoiding regulation (Banerjee, 2008; Doane, 2005; Fooks et al., 2013).

Decoupling and other strategies that mostly focus on trying to keep conflicting demands separate from core operations pose a potential risk to organizations. If organizational audiences become aware of an illegitimate decoupling of organizational practices, organizations could become a target for scrutiny and attract adverse attention (Christiansen & Lounsbury, 2013). In addition, scholars have recently started to recognize that trying to embrace, rather than abolish or hide, institutional complexity could provide benefits for organizations through, for example, wider pools of practices and resources as well as enhanced innovation and work-integration capabilities (Smets et al., 2015). Consequently, research attention has shifted to how organizations might respond to institutional complexity by integrating different demands or logics, and researchers have found empirical evidence of bridging, blending or mixing of institutional demands (e.g. Christiansen & Lounsbury, 2013; Glynn & Lounsbury, 2005; Jones & Livne-Tarandach, 2008; Meyer & Hammerschmid, 2006; Smets et al., 2015).

The difficulty of combining different demands varies, however, depending on the relationship between the demands. Some demands might be easier to integrate, such as the market logic and the aesthetic logic in the case of a symphony orchestra (Glynn & Lounsbury, 2005) or the community logic and the market logic in the Lloyd’s reinsurance trading (Smets et al., 2015), as these demands do not necessarily have to exclude and contradict one another. However, if the demands reside in a paradoxical tension, that is they are contradictory, yet interrelated (Smith & Lewis, 2011), integrating demands requires either acknowledging their paradoxical nature or “creatively tinkering” (Christiansen & Lounsbury, 2013) with the demand elements to be able to combine them. Companies in controversial industries, whose core business or products are understood to be in a paradoxical conflict with a specific CSR issue, are usually not willing to admit a conflict exists and therefore rather resort to creative interpretation of the demands and their relationship. For example, the alcohol industry is not easily willing to admit that its dominant market-driven goal of selling more of its products is in conflict with yet interrelated to the social demands of reducing the causes and risks of alcohol drinking. Especially in such challenging contexts, creative interpretation plays an important role and leads us back to the symbolic management of institutional complexity.

This creative interpretation as a part of symbolic response strategies entails understanding organizations as “interpretive systems” and thus agency more as an act of interpretation than action (Suddaby et al., 2010). This, in turn, brings communication and language and their role in institutional processes and effects into focus (Cornelissen et al., 2015; Suddaby, 2010) and highlights the usefulness of organizational discourse as a theoretical framework (Munir & Phillips, 2005) for studying organizational and institutional phenomena.
2.2 Organizational Discourse

In this section, organizational discourse as an approach to studying organizational and institutional phenomena is described. The section starts with the introduction of social constructivism as an ontological and epistemological perspective on reality. Then, a discursive approach to social constructivism is described, followed by a discussion of the usefulness of a discursive approach to organizational studies.

2.2.1 Social Constructivist Perspective on Reality

The study of organizational discourse, a discursive approach to organizational and institutional phenomena, is based on the social constructivist perspective on reality. Social constructivism understands, true to its name, world as socially constructed (Fairclough, 2003). Despite different definitions of what social constructionism means in more detail, there are certain key assumptions that link the different approaches together (Burr, 2015: 2-5; Jørgensen & Phillips, 2002: 5-6): First, a critical approach to taken-for-granted knowledge. This means that we should not treat our knowledge of the world as an objective truth but rather as a product of our ways of categorizing the world. Second, the historical and cultural specificity and contingency of the ways in which we understand and represent the world. This means paying attention to and appreciating the context. Third, a link between knowledge and social processes. This means that knowledge is understood to be produced in social interaction in which we construct common truths and compete about what is true and false. Fourth, a link between knowledge and social action. This means that a specific social understanding of the world makes some forms of action natural and others unthinkable. Different social understandings of the world therefore lead to different social actions, meaning the social construction of knowledge and truth has social consequences.

2.2.2 Discursive Approach to Social Constructivism

One increasingly popular way of applying the social constructivist perspective in social sciences is to adopt a discursive approach (often called simply ‘discourse analysis’) to social reality (Alvesson & Kärreman, 2000a; Fairclough 2003). While there are various discourse analytical approaches, they all share the common understanding that language is not merely a mirror of reality, that is reflective, representative or revelatory of a pre-existing reality, but rather constitutive and constructive of the social world (Fairclough, 1992; Hardy & Phillips, 1999; Munir & Phillips, 2005; Phillips & Hardy, 2002).

Language is understood to be structured in discourses, which represent different discursive patterns or meaning systems (Hardy & Phillips, 1999; Jørgensen & Phillips, 2002). Discourses as meaning systems contribute to the construction of social reality by producing three kinds of social entities: concepts, objects and subject positions (Fairclough, 1992; Hardy & Phillips, 1999; Munir & Phillips, 2005). Concepts are ideas, categories, relationships and theories that
form the culturally and historically situated frame through which we understand the world and relate to one another (Hardy & Phillips, 1999; Phillips, 2009). As culturally and historically situated, concepts usually are also contested (Hardy & Phillips, 1999). An object is constructed when a concept is attached to a material referent and thus used to make some aspect of material reality meaningful (Hardy & Phillips, 1999; Munir & Phillips, 2005). In addition to concepts and objects, discourses also establish subject positions for those who operate within or participate in a particular discourse (Fairclough, 1989; Hardy & Phillips, 1999). Within a particular discourse, actors are required to take up one of a limited number of available subject positions, or identities, each with different rights to speak and constraints on the ways in which participation in the discourse is possible (Hardy & Phillips, 1999; Munir & Phillips, 2005). Different discourses with their different definitions of concepts, objects and subject positions represent different perspectives on the world, and as such they can complement, compete with or dominate each other (Fairclough, 1992).

Discourses cannot be studied directly, but rather they have to be accessed through the selection of interrelated and structured sets of meaningful texts that embody them (Phillips, 2009; Phillips, Lawrence, & Hardy, 2004; Phillips & Malhotra, 2008). Texts, which can take a wide range of forms from written texts and spoken words to pictures, symbols and artifacts (Phillips & Hardy, 2002; Phillips et al., 2004), can thus be seen as material manifestations of discourses. As manifestations of discourses, texts contribute to the process of meaning making through the practices of their production and dissemination as well as consumption and interpretation (Fairclough, 2003; Phillips & Malhotra, 2008). These practices offer a way for different actors to attempt to influence meaning (Maguire & Hardy, 2006). In addition to constraining actors to specific subject positions, discourses can thus also provide them with resources they can mobilize through the production and interpretation of texts to create particular understandings and meanings (Maguire & Hardy, 2006).

Discourses not only need to be studied through texts, but they also have to be examined in the context of their use through which they gain meaning (Jarzabkowski & Sillince, 2007; Phillips, 2009). As Phillips and Hardy (2002) posit, discursive activity does not take place in a vacuum nor do discourses as such “possess” meaning. Rather discourses are social and shared, “emanating out of interactions between social groups and the complex societal structures in which the discourses are embedded” (Phillips & Hardy, 2002: 4). Discourses and their effects cannot therefore be understood without also understanding the social context in which they arise (Phillips & Hardy, 2002).

In a nutshell, studying discourse involves three dimensions: (1) focusing on a collection of texts that are (2) located in a particular discourse, which both gives the texts a meaning and is (3) inseparably linked to a social context that, in turn, both produces the discourse and is, in part, constituted by it (Phillips, 2009; Phillips & Oswick, 2012). This constitutive connection between discourses and reality/society makes discourse analysis interesting to social scientists and offers a potent perspective also for studying organizational and institutional phenomena (Phillips, 2009; Phillips & Malhotra, 2008).
2.2.3 Discursive Approach in Organization Studies

The “linguistic turn” taken in social sciences, which followed from the increased awareness of the important and ubiquitous role language plays in social phenomena, has resulted in a heightened attention to discourses also in organization studies (Alvesson & Kärreman, 2000a, 2000b). Consequently, interest in the study of organizational discourse, that is using discourse analysis as an approach to study organizations and management, has expanded during the past two decades (Phillips et al., 2004; Phillips & Oswick, 2012). In line with the general discursive approach, the focus of organizational discourse is not merely on how language is used in organizations but on seeing language as constructing organizational reality and bringing organizationally related objects into being (Grant et al., 2004; Hardy, Lawrence, & Grant, 2005; Phillips & Oswick, 2012). This means seeing organizations as social constructions to be interpreted and deconstructed instead of just objects to be measured and counted (Phillips & Oswick, 2012). The study of organizational discourse is thus interested in examining how discursive objects are created in the processes of social construction in and around organizations. It is also interested in understanding what kinds of consequences those discursive processes and objects have for organizations and their environments (Hardy et al., 2005; Phillips & Oswick, 2012).

Research on how organizations and their broader social contexts are created, maintained and even disassembled through discourse (Phillips & Oswick, 2012; Phillips, Sewell, & Jaynes, 2008) has both theoretically conceptualized and empirically tested the use of discourse analysis in various areas of organizational inquiry of which research on institutions (e.g. Green, Babb, & Alpaslan, 2008; Green, Li, & Nohria, 2009; Maguire & Hardy, 2006, 2009) is the most relevant for this study.

From a discursive perspective, institutions, like organizations, are understood as socially constructed through discourse and discursive processes (Phillips, 2009; Phillips et al., 2004). Institutionalization occurs when social actors in interaction and through linguistic processes come to agree on shared definitions of reality (Phillips et al. 2004). Once institutions are discursively produced, they are “held in place by structured, coherent discourses that produce widely shared, taken-for-granted meanings” (Hardy, 2011: 192). Phillips (2009) and Phillips and Malhotra (2008) claim, however, that if scholars of institutional theory want to take social constructivism seriously, a much more developed idea of how the processes of social construction take place is needed. For this, they argue, the discursive approach offers the needed building blocks. The authors suggest that discourse analysis could provide a broader and more developed explanation for the nature of institutions and the processes of (de)institutionalization as well as the role of agency and power in institutional dynamics.

There are some concepts and ideas in the extant literature on institutions drawing on organizational discourse analysis that are of particular relevance for this study. Phillips and al. (2004) suggest that institutions should be understood more as products of discursive activity than of material actions. This means that actions as such are not the basis of (de)institutionalization, but rather the central role is played by the texts used to describe and communicate those actions
Actions thus affect the discursive realm by leading to the production of texts. These texts constitute discourses that provide socially constructed, self-regulating mechanisms, which, in turn, shape future actions that lead to the production of more texts (Phillips et al., 2004).

An important point about the production of such texts is that not all organizational actions are consequential enough to produce texts that are able to influence discourse by providing enduring meanings (Phillips et al., 2004). Phillips and al. (2004) single out two types of actions they believe are most likely to lead to the production of texts that are disseminated and consumed more widely and thus “leave traces”: The first type is actions that require significant organizational sensemaking because they are considered to be novel or surprising. Sensemaking is the social process through which social actors construct reality by producing meanings and plausible explanations both for their own actions and for what happens around them (Weick, 1995; Weick, Sutcliffe, & Obstfeld, 2005). Sensemaking is usually triggered by surprises, puzzles or problems that disrupt the state of the world and breach the expectation of continuity (Weick, 1995; Weick et al., 2005). Such a disruption challenges existing meanings and can lead to their reconstruction or to the construction of new meanings to deal with the uncertainty created by an ambiguous situation (Gioia & Chittipeddi, 1991). Conflicting demands creating institutional complexity for organizations can be understood to represent such ambiguous disruptions that call for sensemaking.

The other type of actions that leaves traces is those that affect organizational legitimacy. This idea draws on Berger and Luckmann’s (1966) emphasis on the importance of legitimation in the processes of social construction (Phillips et al., 2004). According to Berger and Luckmann (1966), the institutional world, as socially constructed, is precarious and requires thus legitimation, that is “ways by which it can be ‘explained’ and justified” (p. 79). Legitimacy, in turn, is founded on and operates through language (Berger & Luckmann, 1966). Therefore, actions of explanation and justification that are aimed at gaining, maintaining or repairing legitimacy are likely to generate texts that leave traces because without such texts organizations are not able to signal the legitimacy of their activities to their internal and external audiences (Phillips et al., 2004). As noted earlier in this chapter, conflicting demands creating institutional complexity for organizations pose a threat to the organizational legitimacy and potentially require organizations to explain and justify their responses, that is engage in sensegiving.

Closely related to both sensemaking and legitimacy and a recurring theme in the existing research on organizational discourse is the idea of discursive struggle that ensues around meanings (Grant & Hardy, 2004). One way discourses construct reality is by governing what is “sayable” and “thinkable”, that is prescribing rules about certain ways of talking about a topic at a particular time in history, and, at the same time, excluding other ways (Hall, 1997). As Grant and Hardy (2004) note, organizations are not ‘born’ with meaning(s), but rather they are created and contested in discursive interactions among organizational
actors and organizational publics with different interest. Consequently, both individual actors and groups within organizations and organizations within their institutional fields engage in discursive struggles over which meanings will emerge as privileged and dominant and which discourses will become subverted or marginalized (Grant & Hardy, 2004; Hardy & Phillips, 1999). Struggles ensue as actors attempt to fix understandings, shape interpretations and justify organizational or institutional practices in ways that best serve their interests (Hardy & Phillips, 1999; Maguire & Hardy, 2006).

Sensemaking (and sensegiving) and legitimacy, often with the struggle aspect, have received abundant research attention within the study of organizational discourse. A particularly popular stream of research has focused on the discursive (de)legitimation of organizations and organizational actions, which is grounded in sensemaking and sensegiving and often leads to discursive struggles between different views on what is considered legitimate. This discursive struggle over legitimacy has mostly been explored in the context of controversial organizational actions and decisions, such as major industrial restructurings involving layoffs, shutdowns and mergers (Ahonen, 2009; Erkama, 2010; Erkama & Vaara, 2010; Vaara & Monin, 2010; Vaara, Tienari, & Laurila, 2006), major industrial investment decisions (Joutsenvirta & Vaara, 2009, 2015) and perceived irresponsible organizational behavior (Barros, 2014; Siltaoja & Vehkaperä, 2010). What all these studies have in common is that they focus on how organizations and their different stakeholders discursively make sense of organizational actions, behavior and decisions and how discursive or rhetorical (de)legitimation strategies are used to construct them as (de)legitimate. A discursive struggle ensues as multiple actors with their own interests in the issue are involved in the discursive processes, practices and strategies that are used to construct a sense of (de)legitimacy (Vaara et al., 2006; Barros, 2014).

A closely related stream of research but with a more specific focus on CSR has explored the discursive construction of and the discursive struggle over the meaning of CSR. This line of inquiry is interested in understanding how organizations are (de)legitimized as socially (ir)responsible through discursive, rhetorical and narrative activity and how boundaries for socially acceptable corporate behavior are (re)defined (Joutsenvirta, 2011; Siltaoja, 2009; Siltaoja & Onkila, 2013; Štumberger & Golob, 2016; Wehmeier & Schultz, 2011).

The studies on the discursive organizational (de)legitimation and the related struggles can be understood to deal with institutional complexity, even if it is not explicitly mentioned. For example, major organizational restructurings with plant shutdowns and employee layoffs are a source of institutional complexity in which the interests based on the market demands/logic conflict with the community or CSR demands/logic: Shareholders require profitability and efficiency that could mean moving a plant to a low-wage country, whereas the local community would want to see jobs stay so as to provide a living and prosperity for the community members. Likewise, institutional complexity underpins the struggles between companies and NGOs over socially acceptable corporate behavior.
In the context of institutional complexity, especially relevant for this study is the understanding that discourse analysis provides “a way to get at institutional logics” (Lammers & Garcia, 2013): Institutional logics representing conflicting demands can be understood as discourses and organizations facing institutional complexity as participants in multiple discourses (Kraatz & Block, 2008). Institutional complexity can therefore be conceptualized as constituted through language and incorporated in texts (Brown, Ainsworth, & Grant, 2012). Through the study of these texts, discourse analysis allows us to examine the construction, maintenance and challenging of conflicting demands, identify the main actors involved in these processes and practices as well as understand effects of these practices and processes on various social actors (Phillips & Oswick, 2012).

2.3 Conceptual Framework

Drawing on the theoretical foundations outlined in the previous sections, this section concludes the chapter by briefly summarizing the conceptual framework of this study (Figure 1).

The two main theoretical concepts of this study are institutional complexity and organizational discourse. The overarching ontological and epistemological premise of this study is that organizational and institutional phenomena are understood to be discursively constructed in social interaction and thus accessible through texts produced and disseminated by organizations and their stakeholders. Based on this premise, institutional complexity as an institutional phenomenon is studied as a discursive construction that can be best accessed through organizational discourse. Hence, organizational discourse functions as an ‘enabling’ theory that helps advance our understanding of institutional complexity.

Institutional complexity is understood to arise out of conflicting, often ambiguous and even overlapping, demands, expectations and pressures imposed upon organizations by various stakeholder groups. In contrast to the most existing studies, which examine field-inherent or multinational complexity, the interest in this study is on new external demands that are brought about by changing societal expectations. Corporate social responsibility (CSR) is here understood as a source of such institutional complexity and especially critical for companies and industries whose core business is directly associated with a societal problem.

Institutional complexity with conflicting demands potentially threatens organizational legitimacy. Ambiguity of demands both calls for sensemaking and enables interpretation and translation. Institutional complexity thus requires attention and triggers action from organizations. They first need to make sense of the demands and then respond in such a way that helps them maintain legitimacy and protect them from being delegitimized by those stakeholders who might feel their interests either are not being met or are even violated. Such actions related to organizational legitimacy and requiring sensemaking, and often leading to sensegiving, are consequential enough to produce organizational texts that “leave traces”.

30
Figure 1. Outline of the Conceptual Framework

Discursive perspective: organizational and institutional phenomena as discursively constructed

**Institutional complexity**
- Arise out of conflicting, often ambiguous and sometimes overlapping demands by stakeholders
- CSR as a source of institutional complexity

Threaten legitimacy

Require sensemaking
- Enable interpretation, translation, sensemaking

Trigger responses from organizations =>
- Produce organizational texts that “leave traces” = Organizational discourse

Organizational response strategies
- Symbolic management

Organizational implications
- Perceptions of legitimacy

Implications for stakeholders and stakeholder relationships

Essay 1: CSR as sensemaking and sensegiving; narcissistic organizations
Essay 2: Management of organizational paradoxes
Essay 3: Institutional logics as strategic and flexible resources
Essay 4: (De)legitimation strategies
These organizational texts represent organizational discourse that can be used to ‘access’ discursive sensemaking and sensegiving processes and (de)legitimation practices related to institutional complexity. These discursive processes and practices can then be used to examine three different, yet closely related and intertwined, dimensions of organizational responses to institutional complexity: (1) Organizational response strategies that represent the ways in which organizations react to conflicting demands and attempt to manage institutional complexity. In this study, the focus is on the symbolic management of demands, which enables the exploration of the strategic latitude and creative capabilities of organizations as mediators and interpreters of their environments; (2) Potential organizational implications of the response strategies. With the interest being on symbolic, rather than substantive, management of demands, the focus cannot be on, for example, structural or procedural organizational adjustments. What can and needs to be studied, however, are the perceptions of organizational legitimacy by stakeholders, that is how an organization’s legitimacy is affected by its responses to conflicting demands; (3) Potential implications of organizational response strategies for stakeholders. As I argued earlier, symbolic organizational response strategies could involve not only implications for organizations but also for other actors. In other words, in addition to attempting to influence the perceptions of itself to construct reality that suits its needs and protects its legitimacy, an organization engaging in strategic and creative interpretation and translation of conflicting demands might also attempt to manipulate the perceptions of stakeholders associated with the conflicting demands.

Each of the four essays approaches these dimensions from a different theoretical perspective: Essay 1 adopts the understanding of CSR as discursive sensemaking and sensegiving processes (Basu & Palazzo, 2008) and focuses on the rhetorical organizational response strategies to CSR demands that seek legitimation of self and delegitimation of external threats. This essay draws on the literature on narcissistic organization (e.g. Brown, 1997) to explain the organizational responses. Essay 2 adopts the paradox perspective (e.g. Hahn et al., 2011) on the conflicting institutional demands. It examines the processes and dynamics of the defensive discursive management of paradoxical tensions between the dominant economic goal and the obesity-related social sustainability demands as well as its implications. Essay 3 adopts the view of institutional logics as strategic resources (e.g. Durand et al., 2013; McPherson & Sauder, 2013) and examines organizational discursive activity that creatively utilizes logics in responding to new external demands and this activity’s implications for stakeholders. Essay 4 adopts the view of (de)legitimacy as constructed through discursive (de)legitimation strategies (e.g. Vaara & Tienari, 2008; Van Leeuwen, 2007) and focuses on the other side of the discursive struggle by examining stakeholders’ discursive activity and their perceptions of organizational legitimacy. The arrowhead lines in the figure from the essays to the three different dimensions indicate to which dimensions the essays contribute.
3. Methodology

Taking a discursive approach to social reality means adopting a qualitative, and more precisely, a constructivist-interpretive research methodology. Understanding world as socially constructed calls for an approach that explores it through the participants’ perspectives and seeks to uncover, describe and theoretically interpret how they understand and interpret social reality (Gephardt, 2004; Snape & Spencer, 2013). The aim is thus to make sense of social phenomena through the actual meanings people create for them (Denzin & Lincoln, 2000; Gephardt, 2004). Qualitative data, as open-ended as well as rich and nuanced, allows the researcher to capture details and mechanisms that could remain unnoticed in quantitative research (Graebner, Martin, & Roundy, 2012). Qualitative data therefore provides a good basis for understanding social processes that underlie organizational and institutional phenomena (Gephardt, 2004).

The constructivist-interpretive paradigm is considered as suitable for examining the phenomenon under study in this dissertation for the following reasons: First, it has been argued that institutions as phenomenological constructs call for interpretive research methods (Suddaby et al., 2010). Second, it has been suggested that using such methods enriches the options for both the types of data and the data gathering methods for examining the contents and meaning of institutions in general (Thornton & Ocasio, 2008). Within the constructivist-interpretive paradigm, organizational discourse, as outlined in Section 2.2, was selected as the more specific epistemological perspective. This, in turn, entails the use of discourse analytic methods. The choice of discursive analysis is supported by the suggestion that the analysis of the role of language in institutional processes and effects might potentially be the most promising development in recent institutional theory (Suddaby, 2010). To discursively analyze the phenomenon, textual data was collected from different archival sources for two different empirical cases within a single empirical context. These research design choices are described in more detail in the following sections of this chapter.

3.1 Discursive Analysis as Method of Inquiry

In the discursive approach to social reality, theory and method are intertwined. This means that the approach not only provides the philosophical premises about the role of language in the social construction of the world but also offers certain methodological guidelines for how to approach research and provides a set of specific techniques of analysis as well (Jørgensen & Phillips, 2002; Munir
A researcher taking the discursive approach needs to access a phenomenon through texts, which play a central role within this approach (Phillips et al., 2004). Texts in organizational and institutional contexts can take a variety of forms: written texts such as reports, memos, press releases and nowadays also different types of social media texts; spoken words such as speeches, interviews and meetings; and videos and podcasts, pictures or other interpretable symbolic artifacts (Maguire & Hardy, 2006; Munir & Phillips, 2005, Phillips, 2009). To examine the constructive effects of these texts, a researcher can choose from a wide variety of different discursive methods that are all based on the structured and systematic study of texts and the processes of their production, dissemination and consumption (Phillips, 2009; Phillips et al., 2004).

In this study, all the four essays are based on the systematic and structured study of texts but each uses a slightly different method of discursive analysis. Essay 1 focuses on identifying rhetorical strategies and exploring their desired rhetorical effects. Rhetoric can be understood as a mode of altering reality and a form of persuasion that comes into existence as a response to a situation that often involves contingencies, uncertainties or ambiguities (Bitzer, 1968; Cheney et al., 2004). Rhetorical analysis seeks to understand how an actor facing an ambiguous situation aims to influence others: to change their attitudes, beliefs, values or actions by attempting to justify particular meanings and construct particular courses of actions as desirable (Cheney et al., 2004; Jarzabkowski, Sillince, & Shaw, 2010). Using rhetorical analysis is therefore well suited for examining both how organizations cope with institutional complexity that usually entails ambiguity (Jarzabkowski et al., 2010) and how they view their own role in society (Castelló & Lozano, 2011).

Essay 2 takes a general discursive approach and examines the construction of the different types of social entities, usually defined as concepts, objects and subject positions (Hardy & Phillips, 1999; Munir & Phillips, 2005; Phillips, 2009). These categories provide an important typology that helps understand what kinds of things are constituted in discourse (Phillips, 2009). In essay 2, the discursive construction of concepts and subject positions is examined with a particular focus on contradictions and paradoxes in this construction, an increasingly popular line of inquiry within organizational discourse studies (Fairhurst & Putnam, 2014).

In essay 3, a narrative approach is adopted to examine a particular organizational narrative and its different storylines. The study explores how the narrative is mobilized to construct a symbolic community and later also leveraged to adjust the community in responding to a changing situation through different narrative practices. Taking a narrative approach fits the aim of the essay as narratives are a useful interpretive lens to explore how actors seek to persuade others to adopt specific understandings and encourage desired action, legitimate and explain action and its outcomes as well as attribute responsibility and provide norms for behaviour (Chreim, 2005; García & Hardy, 2007; Hardy & Maguire, 2010). Especially relevant for essay 3 is the understanding of narratives as tools for bridging the strange to the familiar, emphasizing stability and guiding interpretation towards coherence with the past (Chreim, 2005).
Finally, essay 4 examines the process of (de)legitimation through various discursive practices that aim at constructing a certain kind of reality. The discursive practices, in turn, draw on different microlevel textual strategies that are a way of employing different discourses or discursive resources to establish legitimacy (Vaara et al., 2006).

3.2 Empirical Context and Cases

The research strategy adopted in this study is to approach the phenomenon in question within a single empirical context through case studies. The case study approach provides an excellent opportunity to develop theory by utilizing in-depth insights gained from exploring empirical phenomena in their environmental context (Dubois & Gadde, 2002). Using case studies enables researchers to examine the dynamics present within single settings and provide rich and detailed descriptions of the studied phenomena. This, in turn, can aid in testing or developing theory or inspiring new ideas (Eisenhardt, 1989; Hardy & Maguire, 2010; Siggelkow, 2007).

In this study, the American beverage industry and obesity are used as the empirical context to examine institutional complexity stemming from conflicting, even paradoxical, demands placed upon organizations by different stakeholders. The American beverage industry provides an interesting object of study as it represents a mature conventional industry with world-famous brands that has more recently become implicated in a serious societal-level issue of obesity.

Obesity was declared a “global epidemic” by the World Health Organization in 2000 and “a national epidemic” by the United States Centers for Disease Control the following year (Darmon et al., 2008). Since 1980, obesity has nearly doubled worldwide (WHO, 2013). Over 60% of the Americans are classified as overweight or obese, and, if the current trend continues, half of the population are estimated to be obese by 2030 (Dor et al., 2010). Associated with various health concerns such as heart diseases, diabetes, kidney failure, hypertension, sleep apnea and several cancers, obesity is seen as a severe problem (HCHC, 2004; Morrill & Chinn, 2004). In addition to being a “heavy burden” to the obese individuals, it is also a costly epidemic for societies through both direct medical costs and more indirect costs arising out of, for example, disability, absenteeism and productivity losses (Dor et al., 2010).

Following the increased awareness of the issue and its effects and especially the growing research evidence linking the consumption of soft drinks to obesity (e.g. Beck et al., 2014; Giammattei et al., 2003), the pressures for the beverage industry to take responsibility for the consequences of its core products, the sugary sodas, have increased. Hence, a once admired industry has started to see its cornerstones crumble or, at the very least, shake. Using the well-fitting words of Mark Suchman (1995), it could be said that in terms of legitimacy, suddenly “the successes of the past become impediments to the future” (p. 597), and the industry finds itself facing the threat of becoming the tobacco industry of this century (Wansink & Huckabee, 2005). This places the industry in a very challenging, and therefore from the researcher’s point of view, interesting, situation in
which it needs to deal with institutional complexity of a high caliber: the industry’s (discretionary) staple products, which still form the cornerstone of its business, against a global level societal problem, which is both a huge individual health risk and a heavy financial burden to the society.

Within this single context, two different cases at two different levels of analysis were selected to examine how the industry responds to and attempts to manage this new institutional complexity. The American Beverage Association (ABA) was chosen to represent the industry level. ABA is the industry’s main trade organization that acts, as the association puts it, as “the national voice for the non-alcoholic refreshment beverage industry”. Trade associations as inter- and meta-organizational interest associations (Ahrne & Brunsson, 2004; Ventresca et al., 2005) are an important object of study in situations in which institutional change alters industry attractiveness (Barnett, 2006a). Trade association activity is the principle manifestation of industrywide cooperation (Barnett, 2006a). The companies of an industry will most likely resort to and intensify such collective efforts when the industry’s legitimacy, through institutional pressures and public criticism, and its autonomy, through, for example, proposed tighter government regulation, are threatened (Barnett, 2006a; Oliver, 1990; Winn et al., 2008). In such circumstances, the trade association aims at both influencing the environment and aligning the industry with the demands of the environment, often by attempting to shape the rules of the game in the industry’s favor (Barnett, 2006a). The salience of collective industry action is evinced by a Reuters study on lobbying records that reveals how the beverage industry intensified its collective efforts in 2009 when the Congress was considering a soda tax. During that one particular year, the industry spent over $40 million in lobbying, eight times more than the previous year (Wilson & Roberts, 2012).

Collective action is also more likely to emerge if advocated and supported by the leading, higher status companies of the industry, particularly when these are targeted on a specific issue (Winn et al., 2008). This leads us to the study’s other case and level of analysis: The Coca-Cola Company (TCCC), as the industry’s leading company, was chosen to represent the industry at the organizational level. Central and high-status companies that are visible and highly embedded may be more exposed to tensions of institutional complexity, more heavily targeted by stakeholders and more likely to face legitimacy pressures than companies with less visibility and located at the “periphery” (Chiu & Sharfman, 2011; Greenwood et al., 2011). Centrality of organizations is usually linked to their size and status, both of which could contribute to intensified institutional demands through increased visibility and media attention (Greenwood et al., 2011). TCCC with its Coca-Cola brand represents a central company with high visibility and status. Coca-Cola was the world’s most valuable brand until 2012, and it still is the largest and most valuable beverage brand (Interbrand, 2015). It is also a major advertiser, spending over $4 billion on advertising (Bloomberg, 2011). Due to the company’s position as the leading brand, its actions have a strong effect on the public perception of the whole industry (Palazzo & Richter, 2005). The company’s long history and central position has also meant that its home
country has grown up with Coca-Cola, making the brand a symbol of the Western way of life with a subtle and pervasive effect on the American culture and thus also on the whole Western culture (Pendergast, 2013). With the Western way of life now revealing its side effects, the central company’s status is also turning into a burden. This makes TCCC a fruitful object of study in the quest of attempting to understand how the beverage industry responds to institutional complexity and how those responses might be perceived by stakeholders.

3.3 Data

To examine from a discursive perspective how the case organizations respond to and attempt to manage institutional complexity stemming from external pressures related to their core business, organizational texts were collected for analysis. All gathered data is archival, representing public organizational communication. This was seen as a critical criterion for the data collection: The data should embody the official organizational messages, authored or authorized by the management and deliberately selected for publication (Christensen, Firat, & Cornelissen, 2009). The data should also be publicly and equally available for consumption and scrutiny by all stakeholder groups and the large public, who might have disparate expectations and “assign very different subjective values to the same displayed symbols” (Kraatz & Block, 2008: 249). The data was collected online: for essays 1 to 3 predominantly through the organizational websites and for essay 4 through various media sites.

To access textual data produced by the industry association for essay 1, I visited ABA’s Internet pages. After examining the more conventional types of organizational communication, in this case press releases and statements issued by the association, I decided to focus on the organizational blog that was a fairly new medium for the association but seemed to discuss all the same topics that were also covered in other forms of communication. As less traditional and also less formal means of communication, blogs usually allow authors to adopt a more conversational, expressive and candid style than, for example, press releases (Fieseler, Fleck, & Meckel, 2010; Kelleher & Miller, 2006). The association’s blog, which seemed to be updated at least once a day, also offered a more extensive source of texts for analysis. The data set consisted of all the blog posts from the inception of the blog in the beginning of 2009 to the end of 2012.

For essays 2 and 3, TCCC’s website was used as the primary source through which various types of corporate documents and texts were accessed. The aim was to gather as broad a collection of the official “message” of the company as possible. In addition to using the company website, some data was also accessed through general Internet searches with certain key words and top management names to access material such as interviews that were not always archived on the corporate website.

In essay 4, the focus is on data representing the public opinion of TCCC and its industry. Such data is nowadays better available thanks to social media and other Internet-mediated communication channels but still very dispersed. My
strategy for overcoming the challenge of dispersion was to utilize an unprecedented action by TCCC related to the issue (an obesity ad shown on primetime television) and the ensuing media attention to access the public opinion. I first acquainted myself with the ad and then carried out general Internet searches using key words such as “ad”, “obesity”, “Coca-Cola” and “Coke” to locate online media sources reporting and commenting on that particular company action. From those sources, I selected the ones that (1) offered the option for readers to post comments on the news or blog sites, (2) had received such comments and (3) also still had them available for reading and copying. I used the comments from most of the available sources fulfilling these criteria, aiming also here for as wide a coverage of different types of audiences as possible, from different countries to different demographic and interest groups. The data used in the four essays is summarized in Table 2.

Table 2. Summary of Data

<table>
<thead>
<tr>
<th>Essay</th>
<th>Focus of Data</th>
<th>Data Types</th>
<th>Data Numbers and Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Responses by The American Beverage Association</td>
<td>Organizational blog posts</td>
<td>790 posts (all the posts from the inception of the “Sip and Savor” blog in January 2009 to December 2012)</td>
</tr>
<tr>
<td>2</td>
<td>Responses by The Coca-Cola Company</td>
<td>Organizational texts</td>
<td>247 documents/texts (including company reports and brochures, ads and commercials [print and video], management speeches and interviews, press releases, presentation webcasts, online campaign texts and online articles)</td>
</tr>
<tr>
<td>3</td>
<td>Responses by The Coca-Cola Company</td>
<td>Organizational texts</td>
<td>159 documents/texts (including company reports and brochures, ads and commercials [print and video], management speeches and interviews, press releases, presentation webcasts, online campaign texts and online articles)</td>
</tr>
<tr>
<td>4</td>
<td>Public responses to The Coca-Cola Company’s obesity ad</td>
<td>Online reader comments</td>
<td>1739 comments (from 22 sources, including mainstream newspapers, online news sites, aggregators and magazines, and special interest blogs)</td>
</tr>
</tbody>
</table>

3.4 Data Analysis: An Iterative Discovery Process

As each of the essays contains a detailed description of the data analysis and its stages, the purpose of this section is to open up the data analysis as the iterative discovery process that it can be at its best but which often remains hidden.

This research was not motivated by a particular theory or a set of hypotheses that should be tested and potentially verified through the analysis of the empirical material. Rather my goal was to utilize the best features of qualitative research by remaining flexible and open to unanticipated events and mysteries, hunches and discovery as well as alternative routes of interpretation (Alvesson...
Kärreman, 2007; Gephardt, 2004; Locke, Golden-Biddle, & Feldman, 2008). Consequently, I followed the iterative process of and the abductive approach to analyzing empirical data (Bansal & Corley, 2012; Dubois & Gadde, 2002). I constantly moved back and forth between different types of research activities and between the empirical data and the theoretical frameworks (Dubois & Gadde, 2002). Preliminary analytical frameworks guided my analysis and interpretation, but those frameworks also developed through the discoveries made in the analysis and interpretation (Dubois & Gadde, 2002). Embracing the abductive approach, which resembles a detective process in that it entails remaining open to something that may be, instead of assuming that something must be or actually is (Locke et al., 2008), I both nurtured hunches, that is intuitive feelings that can help researchers find their way toward knowing something new, and attempted to disrupt the order through the use of many different theoretical perspectives that can provide new angles for interpretation and help extend ideas (Locke et al., 2008).

In essay 1, the trade association’s blog posts were analyzed to understand how the industry makes sense of and deals with obesity-related CSR pressures imposed upon it. The close reading of the material helped identify the following three recurring subthemes related to obesity: (1) the issue (both its content and related actions), (2) the agendasetters and (3) the industry itself. A further analysis of how the industry makes sense of obesity and its own responsibility in the issue through these subthemes revealed if not a puzzling then at least a disturbing observation as the language used in the blog posts appeared to be very aggressive. This required going back to literature to seek an explanation for this observation. A plausible explanation was finally delivered by the stream of research on organizational narcissism, which suggests that originally individual-level defensive responses to protect the ego could be applied or transferred to organizations as well (Brown, 1997).

Since the role of trade associations is very much to influence the operating environment of their industries, as was noted earlier, it was thought fitting to take a rhetorical perspective to the texts that so obviously revealed a defensive approach and aimed at shaping the social reality in the industry’s favor. Consequently, the industry’s representations of the three subthemes were used as first-order codes that were then linked to narcissistic ego-defense responses, which we discursively defined as rhetorical tactics. Further analysis revealed that each narcissistic tactic was linked to only one of the three subthemes. This helped us then define three higher level rhetorical strategies, each with a desired rhetorical effect directed at one of the subthemes. Having established these rhetorical strategies and tactics, we then shifted our focus to the implications of this narcissistic sensemaking and analyzed the relationships with and between different stakeholders as constructed by the association’s rhetoric.

In essay 2, the focus was on examining the theme of obesity in TCCC’s communication. However, as the material collected from the company website was not only limited to specific issue-related texts, such as sustainability reports, but covered all types of organizational texts, the initial reading of the broad collection of the material helped form a hunch that eventually led to new
theoretical insights. Although the focus was on analyzing how the company discursively makes sense of the issue and its stakeholders, the background knowledge of the broader base of material once again produced a puzzling observation. The puzzling observation now manifested itself in a form of contradicting representations of the issue and its main stakeholders, consumers, in different texts. This required going back to the data sources to gather more material to make sure the observed contradictions really were a recurring phenomenon in the organizational discourse. After more material was collected and analyzed with consistent results, the next step was to start exploring the literature on contradictions and conflicts to help explain what was happening in the data. This endeavor led me to the paradox perspective to organizational tensions (Lewis, 2000; Smith & Lewis, 2011). By applying the paradox perspective to the case, I was able to attain two different goals: First, I was able explain the challenging and special nature of the tension between the company’s core business and the social issue through the concept of paradox. Second, I was able examine how the organization deals with such tensions by utilizing the strategies identified in the literature for managing paradoxical organizational tensions. Guided by a special thematic forum call on tensions in corporate sustainability, I focused on the paradoxical relationship between the economic dimension and the social dimension of sustainability and explored the dynamics of a defensive response to a ‘particularly paradoxical’ situation in which the core business is directly linked to a social problem.

Essay 3 is based on the same broad material base and close reading of TCCC’s organizational texts as essay 2, but here again the ‘detective process’ was open to alternative interpretations and hunches. In this case, the hunch arose out of an interesting observation of how certain recurring and consistent themes in the organization’s texts that were related to itself and especially its products had more recently become linked also to the theme of obesity. Having some background knowledge of institutional logics, this observation made us turn to this literature and study it in more detail. We then had to go back to the existing material and also collect more material, especially older texts dating back to time before obesity became an issue, to further build on the idea that was forming about the theoretical explanation for our observation. As most of the material produced before the digital age is not stored on the current company websites, we had to mostly rely on the company’s old ads, digging them up also from outside sources, to collect evidence from the case organization’s long history. Having found enough evidence to back up our hunch, we once again returned to literature to refine and specify our framework. We then continued our analysis by focusing on how the community logic, as identified through our hunch, was used by the company to discursively manage the obesity issue. At this stage, we decided to adopt a broad narrative approach as it seemed appropriate to describe the enduring organizational accounts with different storylines as a narrative. We structured our data analysis by identifying first-order codes representing original themes in the organizational texts, then grouped these themes under second-order codes that represent categorical elements of institutional logics (Thornton et al., 2012) and finally synthesized
those into three narrative practices employed by the company as strategic resources.

In essay 4, the empirical material consisted of online reader comments created as a response to TCCC’s specific CSR-related action, a television ad about obesity. I first briefly analyzed the ad as background material and then focused on how the public makes sense of the company’s and its industry’s role and responsibility in the issue and how it responds to the company’s CSR action. Keeping an open mind, I started by identifying all the instances in the comments where the company or its industry was mentioned and grouping these instances into subthemes. During this stage, a strong negative bias against the company, its industry and their obesity-related actions became evident. This made me go back to the literature on legitimacy and CSR to explore how this negative bias could be explained. This examination led me to the concept of delegitimation and also to corporate social irresponsibility (CSI), the less researched complement of CSR, as the result of such delegitimation. Having acquainted myself with the existing research on (de)legitimation and discursive strategies used in the process (Vaara & Tienari, 2008; Van Leeuwen, 2007), I continued working on the subthemes. I focused especially on examining their role in the delegitimation process and how they draw on the discursive delegitimation strategies, such as rationalization, moralization, authorization, mythopoesis and normalization, recognized in the literature. As a result of my detailed analysis, I was able to group the subthemes into eight different discursive practices, each representing a different dimension of (de)legitimation.

### 3.5 Quality of Research

Designing and analyzing qualitative research inherently involves greater subjectivity than quantitative research (Rynes, 2004). Despite the attempts to define what counts as “high-quality qualitative work” (Pratt, 2009: 856), no consensus exists about what criteria should be used or what these criteria really mean (Barbour, 2014; Flick, 2009). Popular transfers from quantitative research are the measurements of validity, reliability and generalizability (Moisander & Valtonen, 2006), which scholars have then tried to translate into qualitative language. Others have suggested alternative criteria, such as trustworthiness, credibility, dependability, transferability and confirmability (Lincoln & Guba, 1985). Yet others have emphasized researcher reflexivity as a source of quality (Alvesson, Hardy, & Harley, 2008; Alvesson & Kärreman, 2007). In this section, I will discuss such selected aspects of research quality that I believe are relevant and suitable in the context of this study. These aspects are meant to help the reader assess the general credibility of this study and answer the question of whether what is presented in this study can be trusted.

Trustworthiness of this study has four dimensions. First is the type of data. All essays are based solely on publicly available material, accessible online by everyone. Hence, future research could repeat the project, which in one sense supports the replicability criteria of research quality (Moisander & Valtonen, 2006).
In quantitative research, replicability usually extends also to the ability to replicate the results, meaning that another researcher should be able to come up with the exact same “truth” claims. This idea is, however, not applicable to the context of constructivist-interpretive inquiry, which is based on the premise that knowledge is socially constructed and that also the researcher participates in the social construction and interpretation of reality.

Using only one type of data, in this case archival texts, could be seen as a weakness as qualitative studies often claim to increase their validity through the process of triangulation (Dubois & Gadde, 2002; Flick, 2009). In triangulation, multiple types of empirical data, such as documents, interviews and ethnographic observations, are used to “produce a more ‘true’ or certain representation” of the research phenomenon or object (Moisander & Valtonen, 2006: 25). Such aggregation of data does not, however, automatically mean that a more complete picture is created (Moisander & Valtonen, 2006). In this study, validity in the sense of how the research measures what it is supposed to measure would not benefit from using, for example, interview data as the interest is in understanding the “official” message of the case organizations, which is available to all stakeholders and the large public for consumption and scrutiny. On the other hand, triangulation in the overall study is realized by using material which is produced at two different levels of analysis, organization and industry/field and covers different types of textual data, such as an organizational blog, interviews, speech and presentation transcripts, ads in print and as videos as well as standard-format reports.

The second dimension of trustworthiness in this study is the use of multiple theories, which represents another form of triangulation. All essays apply different theoretical perspectives and concepts to the same empirical context and cases. The findings based on these different perspectives build partly on each other and support and complement each other so as to provide results that are not merely accidental (Moisander & Valtonen, 2006) but rather reflect the reliability requirements of stability and consistency.

The third dimension is the detailed descriptions of data sources, data collection and data analysis. As Bansal and Corley (2012) posit, in contrast to quantitative studies, qualitative research lacks the possibility of referencing well-known data sets and statistical tests. Therefore, it is salient for qualitative researchers to communicate their entire journey from the initiation of the project onwards (Bansal & Corley, 2012). I have attempted to follow this guideline in this dissertation. In this introductory part, I have, for example, described where the initial impetus for the research topic and the interest in this particular empirical context and the cases arose, thus reflecting on the initiation of the project. I have also attempted to describe the iterative nature of the research processes of each essay. In the essays, transparency of the research methods has been increased by providing details of the data sources, the data collection process and sites as well as the analytical process, both in the body text and in separate tables and figures. In essay 3, we drew up a data structure table with first-order codes, second-order themes and aggregate dimensions, which provides a
graphic representation of our progress from raw data to more theoretical conceptualizations in conducting our analysis and thus helps demonstrate rigor in qualitative research (Gioia, Corley, & Hamilton, 2013).

The fourth dimension of trustworthiness, and a particularly important one for discursive studies, is the display of data. It is important to find the right balance between telling about, interpreting and showing data (Bansal & Corley, 2012; Pratt, 2009). It is not enough just to offer one’s interpretation or description of qualitative data but primary data must also be shown (Gephardt, 2004; Pratt, 2009). This helps the reader follow the chain of evidence from the data to the interpretations and the emerging theorizing (Bansal & Corley, 2012; Potter, 1996; Pratt, 2009). Following this guideline, each essay displays a considerable number of primary data excerpts so that every interpretation comes with at least one representative quote. As recommended (Pratt, 2009), I have not placed all the data in separate tables but included a lot of it within the body text so that the data is not separated from the arguments and the interpretations. This makes it easier for the reader to follow them. I have also attempted to avoid the opposite pitfall: showing too much data without interpreting it (Pratt, 2009).

Within discursive approaches, where texts play a major role, this presents a real threat if “thick descriptions” overshadow the articulation of theoretical contributions (Pratt, 2009). Although the essays display a significant amount of primary data, these displays merely support the interpretive and theoretical insights developed in the data analysis, and they are always clearly linked to specific higher-level concepts.

In addition to trustworthiness, which seeks to answer the calls for certain validity and reliability, another strategy transferred from quantitative research for grounding also qualitative studies is generalizability (Flick, 2009; Moisander & Valtonen, 2006). Generalization is problematic for qualitative research, because its statements, results and conclusions are often made in a certain context, setting and/or time and based on a study of particular individuals, organizations and institutions (Flick, 2009; Maxwell & Chmiel, 2014). It has been therefore suggested that ‘generalizability’ of qualitative research could be judged by using the concept of transferability, which evaluates whether qualitative inquiry could provide results and knowledge that can be transferred to and utilized in other contexts and situations (Flick, 2009; Lincoln & Guba, 1985; Maxwell & Chmiel, 2014; Moisander & Valtonen, 2006). This kind of understanding shifts the responsibility for generalizations to the readers (Maxwell & Chmiel, 2014): the readers need themselves make connections between elements of the study and their own understandings and experiences to evaluate whether the results could be transferred to contexts and situations they are familiar with (Moisander & Valtonen, 2006). I will next briefly examine properties in my study that should help readers assess the transferability of its findings.

One critical aspect that could potentially affect transferability is the selection of the site(s) of study (Eisenhart, 2009). I argue that my choice of the context and the cases helps the readers evaluate whether the findings are transferable to other contexts and cases. Even without thick descriptions of the context, case
and phenomenon under investigation, which represent other properties understood to support transferability, the American beverage industry, TCCC, soft drinks and even obesity would be familiar to most, if not all, people. Nevertheless, the essays aim to provide sufficient details of the context and enough background information to further support the evaluation. Another way to increase the transferability potential is to suggest the kinds of cases and contexts to which the results might be applicable (Eisenhart, 2009). Hence, a qualitative study could seek to provide examples of similar cases. In this study, several more or less explicit references have been made, for example, to the food industry, which is associated with the same issue of obesity, and to the category of ‘controversial industries’ in which organizations face a similar challenge of the negative association between their core business/products and a CSR issue. I also argue that despite the particular empirical context in which the findings have been produced, the interpretations and theoretical insights could be applied to any form of institutional complexity to examine how organizations attempt to symbolically manage, or manipulate, it in creative ways.
4. Conclusions

4.1 Essay Findings and Their Contributions

The four essays in this dissertation are individual studies that either have been published as articles or are in the process of being prepared for submission with a particular journal in mind. Consequently, each of the essays takes a very specific perspective and makes a tightly defined contribution that does not necessarily explicitly refer to the broad topic of institutional complexity. All the essays, both separately and together, however, make specific and considerable contributions to this topic as well. I will discuss the essay findings, briefly introduced elsewhere in this introductory part, in more detail in this final chapter and outline the contributions drawing on these findings.

4.1.1 Essay 1

In essay 1, we adopt a stakeholder-oriented sensemaking perspective to CSR. In this perspective, we combine the central role of stakeholders for CSR (Maon, Lindgreen, & Swaen, 2010), that is seeing stakeholders as a link between the society’s expectations and an organization’s goals, with the sensemaking model of CSR (Basu & Palazzo, 2008), which focuses on examining CSR as a process of sensemaking rather than documenting the content of CSR activities. We focus on the ways in which organizations make sense of and give sense to their roles and responsibilities and relationships with and between their stakeholders, when they address such external demands related to CSR that can be seen as conflicting with their economic goals.

To explain the findings based on our data (the trade association blog posts over four years), we further combine this stakeholder-oriented sensemaking perspective with the theory of organizational narcissism (Brown, 1997). This theory argues that ego-defensive responses, originally studied at the level of individuals, can also be applied to organizations. It seeks to explain the defensive responses organizations might resort to when facing “an intolerable conflict” (Brown, 1997, citing Laughlin, 1970: 57) that threatens their legitimacy.

The rhetorical analysis of the blog posts demonstrates how the trade association defensively responds to the industry-level legitimacy threat related to obesity by resorting to three rhetorical strategies. With the strategies it attempts to (1) dismiss the agenda-setters and their sensemaking of the issue, (2) redefine the issue and the industry’s responsibility in it and (3) bolster the industry’s position and normalize its sensemaking of the issue. These strategies we find to be
underpinned by various narcissistic rhetorical tactics, such as opportunism, denial, omnipotence, self-aggrandizement and contempt. Through these strategies and tactics, the organization engages in sensegiving that seeks, first of all, to undermine the credibility of those imposing such demands on the industry that conflict with its dominant goal. In this case, the government and politicians, the media as well as researchers and NGOs are depicted as agenda-setters. The trade association also seeks to justify the industry’s point of view and actions in the issue. Furthermore, it attempts to reinforce the industry’s credibility by promoting its reliability, authority and capabilities and disassociating the industry from the issue.

Based on these findings we propose a concept of narcissistic CSR orientation as a tool for understanding organizations trying to cope with an intolerable conflict. Such a conflict poses a legitimacy threat and requires sensemaking, because it presents a disruption in the state of the world (Weick et al., 2005). This orientation, we argue, is more temporal and contextual than Brickson’s (2007) similar concept of organizational identity orientation. Hence, an organization displaying narcissistic orientation to a particular CSR issue does not necessarily have to adopt a similar orientation to another issue. The adoption is therefore issue-specific and results from the sensemaking process in which the organization interprets both a particular issue and the nature of its relationship to the issue stakeholders. Our concept of temporal and contextual narcissistic CSR orientation highlights the importance of issue-specificity also for organizational legitimacy. As Lee (2011) notes, “institutional forces and stakeholder influences are often issue specific” (p. 286). Legitimacy as a ‘whole’ could thus also be understood as a sum of its individual ‘parts’, a cumulative result drawing on multiple, often contradictory perceptions of an organization based on different CSR, or other legitimacy-related, issues (Kraatz & Block, 2008; Scherer et al., 2013).

This essay contributes to the study of institutional complexity by providing a detailed rhetorical analysis of organizational response strategies. The first contribution comes from demonstrating how narcissistic ego-defenses can be used at the level of organization to symbolically manage conflicting demands. It is important to note that symbolic management does not entail here any kind of ceremonial conformity (Ashforth & Gibbs, 1990) on the part of the industry. The focus is solely on avoidance and defiance (Oliver, 1990), which are realized through discursively constructing meanings and rhetorically attempting to influence others, to manipulate them to adopt these meanings.

In addition to the organizational response strategies, this essay also opens up the (rhetorical) implications of these strategies to the organization-stakeholder and stakeholder-stakeholder relationships and their dynamics (Kujala, Heikkinen, & Lehtimäki, 2012). By doing this, the essay sheds light on an important aspect of organizational responses to institutional complexity which has not received enough attention in the existing research. Examining the consequences of the narcissistic sensemaking and sensegiving by the industry, we are able to define three different sets of relationships rhetorically constructed by the industry’s symbolic management of the issue: First, the relationship between the industry and consumers is constructed as patronizing: Consumers are portrayed
as dependent on the industry and its guidance on what to do and believe in the issue. At the same time, however, they are also depicted as carrying the main responsibility in the obesity issue. The relationship between the industry and the agenda-setters is constructed as openly *hostile*: the agenda-setters are portrayed as incompetent, ridiculous and underhanded and, consequently, not to be trusted or cooperated with in the issue as they are only guided by self-interest. In a similar way, the relationship between consumers and the agenda-setters is constructed as *agonistic*: consumers are pitted against the agenda-setters, who violate consumers’ civil liberties, and portrayed as victims of the agenda-setters’ incapability and greed. According to the industry’s sensemaking, consumers, as the main victims of the agenda-setters, are also expected to take the responsibility for fighting them. These constructions of stakeholder relationships underscore the potential dangers of extreme defensive-aggressive responses as it is, after all, the different stakeholders, who grant organizations their legitimacy and are therefore also in a position to withdraw it. The findings highlight the importance of not focusing only on *organizational* implications of the responses to institutional complexity but also exploring the implied effects of the symbolic management and manipulation on other actors as well.

This essay contributes to the study of institutional complexity also by focusing on a trade association. The existing research on organizational responses to institutional complexity has focused on individual organizations operating within a particular field. Responses at the industry-level have not been studied through trade associations, even if they are a significant part of the economic landscape (Barnett, 2013) and their strategic moves represent a key component in the domain of institutional strategy (Ventresca et al., 2005). This essay thus responds to the calls to increase our understanding of what these ubiquitous organizations actually do (Barnett, 2013; Barringer & Harrison, 2000). It particularly opens up the trade associations’ role in making sense of and giving sense to legitimacy challenges related to institutional complexity. Our findings support the arguments that while trade associations might very well play a critical role in helping companies recover from a crisis that faces their entire industry (Barnett, 2006a), they could also become counterproductive in their actions and especially in their self-promotional efforts in a way that could eventually lead to losses of legitimacy (Winn et al., 2008).

4.1.2 Essay 2

Essay 2 takes a paradox perspective to tensions between different dimensions of corporate sustainability (Hahn et al., 2015; Lewis, 2000; Smith & Lewis, 2011). Paradoxical sustainability tensions between core business and social goals are seen as a specific type of strategic paradoxes, organizational-level performing tensions that emanate from the multiplicity of stakeholders, surface when organizations seek to respond to the stakeholders’ inconsistent demands and result in competing strategies and goals (Smith 2014; Smith et al. 2013; Smith & Lewis 2011). My discursive analysis of an organizational-level response to a strategic paradox that entails institutional complexity and threatens the organization’s dominant goal reveals also here a defensive reaction. The defensive
reaction seems to be a form of projection, a process of externalizing conflicting elements or goals to others (Krantz 2001; Lewis 2000), yet it differs from the conceptualizations of this response in the existing literature. A further analysis of the dynamics of the case organization’s response helps outline a novel way of understanding projection: The starting point is that the organization is not able to externalize the conflicting element of the paradox, that is the social goal related to obesity, because it has been specifically adopted to appear legitimate. Also for the sake of its legitimacy, it cannot admit a tension exists between its dominant economic goal and this social goal. My analysis shows how the organization thus keeps the conflicting goal but externalizes the tension between that goal and its dominant economic goal as well as the responsibility for the conflicting goal onto others outside the organization. I further demonstrate how this projection is enabled by the creation of secondary paradoxes that arise from the original paradox. By discursively manipulating the concept of obesity and the subject position of consumer, the organization manages to depict them as paradoxical: The obesity issue, its causes and solutions, is simultaneously depicted as both complex and simple. Consumers are portrayed as being both rational and irrational as well as short-termist and long-termist at the same time.

This essay makes a major contribution to the study of organizational responses to institutional complexity. The findings help expand our understanding of the less-researched defensive responses to paradoxical tensions (see e.g. Schad et al., 2016) by outlining a new way of understanding how projection works. Research on social enterprises, which often experience institutional complexity due to their inherent dual goals of social mission and financial viability (e.g. Smith et al., 2013), has shown how these organizations can defensively respond to complexity through internal projection in which one of the goals is projected onto another group within the organization to relieve tensions (Ashforth & Reingen, 2014). This study, which also examines complexity created by the coexistence of economic and social goals, highlights the need to understand differences between even seemingly similar strategic paradoxes. It shows how a similar response works when the tension is externally created by particular stakeholders. My findings demonstrate how, instead of keeping the demands separate through decoupling, compartmentalizing or selective coupling or combining them through mixing, bridging or blending, organizations can utilize the strategic discretion afforded to them by the ambiguity of demands to interpret them in ways that suit their interests. These findings are particularly relevant for the study of CSR and sustainability issues as sources of institutional complexity. They contribute to a more nuanced understanding of how organizations might defensively seek harmony even amidst conflicts and trade-offs related to corporate sustainability. They also highlight the need to further open up the complexity, multiplicity and the paradoxical nature of sustainability situations different kinds of organizations can face.

The findings of this study also invite some speculation about potential implications of organizational responses. In this case, the symbolic management of an external demand conflicting with the organization’s dominant goal implicates stakeholders. Consumers, main stakeholders for both the organization
and the obesity issue, are assigned conflicting characteristics and qualities. The organization also shifts the ultimate blame and responsibility for the social problem to consumers, while constructing merely a supportive role for itself. Stretching the interpretive leeway offered by the symbolic management of institutional complexity could, however, have consequences for organizational legitimacy. In this case, the discursive manipulation of consumer subject positions and the concept of obesity leads to inconsistent organizational messages. If this inconsistency is detected by stakeholders and the public, it might undermine the organization’s credibility (Kujala et al., 2013) and, consequently, its legitimacy. This could lead to an ironic outcome (Putnam, Myers, & Gailliard, 2014) in which the organization’s aim of protecting its legitimacy and economic goal in the face of conflicting institutional demands might turn against that very same aim and force the organization to respond to the new paradoxes as well.

4.1.3 Essay 3

Essay 3 takes an institutional logics perspective on the management of new external demands that potentially threaten organizational success and legitimacy. More specifically, the essay adopts an emerging approach within the study of institutional logics that sees logics as strategic resources or tools that social actors can flexibly employ (Durand et al., 2013; McPherson & Sauder, 2013; Thornton, Ocasio, & Jourdan, 2014). We also utilize the notion of logics as modular, which suggests that they consist of decomposable categorical elements (Thornton et al., 2012).

This perspective is utilized in this essay to increase our understanding of another emerging stream of research within the study of institutional logics: conceptualizing community as a distinct institutional order with a logic of its own rather than a mere geographic colocation (Marquis, Lounsbury, & Greenwood, 2011; Thornton et al., 2012). More specifically, we adopt the view of community, underlying the logic, as symbolic, rather than geographic as in the existing research (Djelic & Quack, 2011; Marquis et al., 2011b). We further adopt a notion, theorized but not empirically tested, that in addition to growing organically from bottom-up, symbolic communities could also be constructed top-down by a small, often elite, group identifying with a particular project or agenda and wanting to disseminate this agenda to a broader base (Djelic & Quack, 2011).

Empirically, we examine how the case organization responds to pressures to address obesity and thus attempts to manage institutional complexity. Our narrative analysis at the level of logic elements first shows how the case organization has for decades been drawing on the community logic to construct and maintain a symbolic community. As the founder and custodian of the community, the organization defines values and norms as well as related goals and practices for the community members, consisting of consumers, that help link their emotional well-being to the organization and its products. We then demonstrate how the organization more recently mobilizes the very same logic to incorporate new demands, which require it to address the obesity concern, into its symbolic community. This is done by linking also physical well-being to the values of the community. This we understand as a strategic move that helps...
the case organization "protect advantageous institutional arrangements from external threats" (Micelotta & Washington, 2013: 1138).

Our findings show how the organization leverages the community logic elements to encourage change in the community. This is done by defining new norms and related goals and practices to consumers and other actors. At the same time, however, the organization also attempts to keep certain core logic elements, such as community values and its legitimacy as the community custodian, essential for the link between the community and the organization, intact and recognizable. We identify three practices, reinforcing community foundations, redefining community norms and reinterpreting responsibility and authority, through which the organization aims to both maintain stability and familiarity and imply needed changes in the salient symbolic community. We examine the dynamics and relationships of these practices and show how particular logic elements seem to function as foundations that both underpin and are bolstered by other elements in upholding the symbolic community. We also demonstrate how certain changes can be seen as risky departures from the coherent narrative and as such potential threats to the viability of the community.

By examining who manipulate logics and how (Thornton et al., 2014), this essay provides evidence of the interpretive capacities of organizations and their ability to skillfully and creatively utilize symbolic resources (Suddaby, 2010) in seeking to manage conflicting demands. It also suggests a potentially novel way for organizations to respond to institutional complexity. Whereas recent studies have very much focused on interactions between logics, examining how organizations actively embrace multiple demands by mixing, blending, or bridging several logics (e.g. Christiansen & Lounsbury, 2013; Glynn & Lounsbury, 2005; Schneiberg, 2013; Thornton et al., 2012), our findings indicate a more defensive response, which, however, involves similar “creative tinkering” (Christiansen & Lounsbury, 2013) and interpretation of the conflicting demands associated with these more active strategies. Instead of adopting a new logic (in this case, the CSR logic) due to external pressures and attempting to mix it with the dominant logic (cf. Christiansen & Lounsbury, 2013), an organization could thus mobilize another institutional logic. This logic functions as a kind of ‘auxiliary’ logic, which is used to align new demands with the organization’s existing dominant goal as smoothly as possible in order to be able to continue business as usual.

These findings related to ‘auxiliary’ logics are especially relevant for the CSR context. The community logic with its emphasis on community well-being and affective ties has been depicted as particularly liable to conflicts with the market logic, which is focused on self-interest and instrumentality (Smets et al., 2015). Consequently, the community logic is mostly understood to function as a kind of counterforce to the market logic and a tool for resistance that community members can use to ‘fight off’ undesirable organizational activities (Greenwood et al., 2010; Ingram, Yue, & Rao, 2010; Marquis, Huang, & Almandoz, 2011; Marquis & Lounsbury, 2007) and that activists can harness “to direct attention toward good corporate citizenship” (Lee & Lounsbury, 2015: 847). As our analysis shows, however, the community logic can also be mobilized by organizations themselves in ways that serve their purposes and could help them avoid
rather than embrace new demands, such as the aforementioned ‘good corporate citizenship’. We demonstrate how the case organization uses the community logic to legitimate its discretionary products and hence support its market logic driven goals. This places the community logic in an auxiliary position and portrays it as compatible rather than conflicting with the market logic. When external pressures to adopt the CSR logic in the obesity issue increase, the organization, instead of adopting that logic, leverages and manipulates the community logic, already strategically used to support its market logic, to incorporate demands related to the threatening issue into its symbolic community in ways that seek to protect the market logic. This helps the organization navigate and manipulate ascriptions of responsibility related to the surrounding community.

In addition to organizational response strategies, our analysis also examines the (narrative) implications of these responses for stakeholders. Our findings demonstrate how the use of the community logic as a strategic resource to safeguard arrangements advantageous for the organization entails constructing stakeholders as responsible for taking care of the issue. In symbolically managing the conflicting demand, the organization does attempt to influence the perceptions of itself in the eyes of the stakeholders by presenting itself as still legitimate even in the social issue in question and in how it responds to it. The main focus is, however, on assigning community members such new roles, goals and practices that can be understood to reduce the complexity for the organization.

4.1.4 Essay 4

In essay 4, I adopt the perspective of legitimacy as a multidimensional concept, granted to or withdrawn from organizations by their stakeholders in discursive processes of (de)legitimation (Vaara et al., 2006). In the context of sustainability issues, the (de)legitimation processes construct an organization or industry either as socially responsible (CSR) or socially irresponsible (CSI). Empirically, I examine how the large public responds to the case organization’s specific CSR action, a television ad about obesity. This CSR action can be seen as a response to external demands for the organization to address the social issue. The action aims at portraying the organization as socially responsible in the obesity issue and thus legitimate in that context. The purpose of this essay is to study how the large public makes sense of the case organization’s response to institutional complexity by analyzing online reader comments.

Based on my analysis, I am able to identify eight discursive practices, which all address a different dimension of organizational legitimacy in the CSR context. These practices draw on various (de)legitimation strategies, and together they contribute to the construction of both the case organization and its industry as socially irresponsible. Hence, guided by my data, I end up answering the calls for increasing our understanding of what is perceived as socially irresponsible corporate behavior (Vallentin, Palazzo, & Scherer, 2015).

My findings elucidate on the complex and multifaceted nature of the (de)legitimacy construction by showing how the delegitimation process includes (1) discrediting the focal actors’ authority position, (2) condemning their underlying ideology, (3) moralizing their business practices in general, (4) vilifying
their products, (5) invalidating their specific CSR actions and (6) rejecting their CSR messages as well as (7) expanding issues from the one(s) addressed by the focal actors to other problematic issues and (8) juxtaposing the focal actors to reference groups of other (problematic) industries and issues.

By studying direct responses by the public, this essay extends the existing research on organizational legitimacy, which has predominantly focused on either organizational accounts or media accounts representing both organizational actors and the public opinion. This study offers a view on “public deliberation”, which, enabled by Internet-based communication technologies, is becoming an increasingly important source of legitimation in our era of “networked publics” (Friedland, Hove, & Rojas, 2006; Palazzo & Scherer, 2006). Analyzing individual legitimacy judgments also highlights the importance of personal stories and experiences (Van Leeuwen, 2007) as a tool for (de)legitimation and opens up the manifold ways in which they can be drawn on and applied.

This essay contributes to research on organizational responses to institutional complexity by examining their implications for organizational legitimacy. Although the focus is not on the discursive legitimacy struggle between organizations and their stakeholders ensuing from conflicting demands imposed upon organizations and their attempts to manage these, this struggle, nevertheless, is evident in the set-up of the study that examines the public response to the case organization’s individual CSR action. The organization first attempts to symbolically manage institutional complexity and legitimate itself by constructing a particular kind of reality in its television ad. The public then rejects this sensegiving by the organization and produces its own counter-construction of reality that seeks to delegitimize the organization. Consequently, the organizational response to institutional complexity that attempts to maintain legitimacy in the face of a conflicting external demand ends up producing a reaction that is the exact opposite. The findings also illustrate how the perceptions and the judgment of legitimacy by stakeholders are not limited to the object of the organizational action, in this case the ad and its message, but rather the stakeholder responses triggered by one single organizational action lead to the delegitimation of the entire industry on multiple organizational dimensions of legitimacy.

4.2 Concluding Remarks

The four essays provide new insights into organizational responses to institutional complexity, which arises out of conflicting demands imposed upon organizations by the ever-growing variety of stakeholders in increasingly complex and fast-changing environments. Together the essays not only examine organizational response strategies, which we still have a limited understanding of (Greenwood et al., 2010; Vermeulen et al., 2014), but they also explore the implications and consequences of these responses for the organizations and their stakeholders and their effects on the perceptions of organizational legitimacy, about which we know even less (Baumann-Pauly et al., 2016; Meyer & Höllerer, 2016). The essays adopt a discursive approach, which entails understanding or-
ganizational and institutional phenomena as discursively constructed and accessing such phenomena through the study of organizational discourse. Such a language-based approach has been called as “perhaps the most promising development in recent institutional theory” (Suddaby, 2010: 17), but its potential has not yet been fully utilized (Cornelissen et al., 2015; Green et al., 2008).

The foundation of this study’s contributions can be seen as strongly resting on its selection of the empirical context, the American beverage industry and its responses to obesity. First, with research linking sugary sodas to obesity, the beverage industry can be said to be facing paradoxical, not just conflicting, demands. Second, studying obesity as a CSR issue complements the existing CSR and sustainability research, which has predominantly focused on the demands related to physical environment, even if organizations and their practices also profoundly affect the human and social environment (Pfeffer, 2010). Third, by focusing on obesity this study deals with a particularly non-specific and ambiguous sustainability issue. In contrast to organizational responses to environmental demands, which are both constrained and guided by different kinds of standards (e.g. ISO), standard-format reports and well-defined indicators, there are no general guidelines or benchmarks for organizational behavior on obesity.

Based on these three premises and drawing on multiple different theoretical perspectives and various different discursive methods, this study has been able to provide a thick description and rich analysis of one specific context. These help particularly expand our understanding of the interpretive capabilities of organizations, how they are able to creatively and flexibly draw on and manipulate symbolic resources and use their strategic discretion in responding to often ambiguous demands by stakeholders. This study especially increases our understanding of situations in which external demands conflict with the core aspects of production (Bromley & Powell, 2012) but are visible, understandable and also close to the public. In such situations, organizations are usually keen to avoid implementing the conflicting demands, but the fear of being caught non-conforming forces them to portray conformity through the manipulation of meanings and perceptions (Oliver, 1990; Wæraas & Ihlen, 2009).

This study also supports Scherer and al.’s (2013) theorization about organizational responses to institutional demands which suggests that organizations are likelier to resort to manipulative strategies when the consistency of external demands is low and the costs of real change would be high. In this case, the ambiguity of CSR in general and obesity in particular makes the consistency of demands lower than, for example, in the case of environmental demands for carbon emission reductions. Different stakeholder groups might also have very inconsistent ideas about how the issue should be handled and what the industry’s role should be. Likewise, the costs of operative changes that would truly help reduce or abolish obesity would be really high, as evinced by the perceptions by the large public (in essay 4) about how the only real solution would be for the industry to close up shop completely or, at least, start selling vegetables.

This study also paints a vivid picture of how organizations manage “the losers”, as Greenwood and al. (2011) label those institutional demands that are not
truly endorsed. As the findings demonstrate, however, this management of losers not only entails dealing with the losing demands as such, but it also includes stakeholders and their relationship to the organization and each other. Especially Essays 1 to 3 provide insights both into the nature of these relationships and the discursive construction of characteristics, roles, responsibilities, practices and goals imposed upon different stakeholder groups.

An interesting observation, which could also have practical relevance, arises out of comparing the strategies of the trade association in essay 1 with the strategies of the leading company of the industry particularly in essays 2 and 3 but also in essay 4. Both the trade association, representing the industry-level, and TCCC, representing the organizational level, resort to the symbolic management of the obesity issue, but there is still a marked difference in their strategies. The trade association is openly defensive, even aggressive and hostile, in its denial of the industry’s link to obesity and in its attempts to guide others’ sensemaking. At the same time, the leading company of the industry attempts to manipulate perceptions with a much friendlier tone, depicting itself as seriously engaging in the issue, co-operating with others and supporting the consumers. The trade association’s approach is more overt, whereas the leading company, which as a central organization of the industry is highly visible and more exposed to tensions, scrutiny as well as criticism, resorts to more covert manipulation. This raises an interesting question about the potential conflict between the two approaches and its implications for the industry’s legitimacy in the long run.

To conclude, there are several novel insights in this study that help expand our thinking about organizational responses to institutional complexity. Hopefully, these insights also inspire other scholars and spur new studies, since the new ideas necessarily call for further research to test their viability in other contexts and situations. Such ideas are, for example, the suggestions that organizations can respond to institutional complexity by using auxiliary logics and a symbolic community to give the appearance of accommodating conflicting demands or by creating new paradoxes related to external actors to deflect paradoxical demands on them. Likewise, the different paths I have explored in this study in regard to implications and consequences of the organizational response strategies both for organizations and their stakeholders, such as unintended consequences of manipulation for organizational legitimacy and implications of manipulation for stakeholders in a form of new demands on them, need to be further ‘widened’ by additional studies.
References


