

9. POSTSTRUCTURALISM IN ORGANIZATIONAL STUDIES *(Commentary for Embeddness of Entrepreneurship Section)*

Ronald L. Breiger

Stinchcombe (1965) presented a very broad canvas on which to portray the effects of social structure on the founding of new organizations. Organizational theorists have subsequently focused on the idea that entrepreneurial firms and organizations tend to suffer from a liability of newness (1965, pp. 148–50), without appreciating (as Lounsbury and Ventresca point out in their introduction to this volume) how Stinchcombe had conditioned that theoretical claim on specific and variable features of broader social structures. Structure has come to be defined narrowly and deterministically, to exclude concerns with particular organizations, definite features of the environment, purposive entrepreneurial action, culture, politics, and the getting and manipulation of identities through social networks. Hirsch and Lounsbury (1997), Emirbayer and Goodwin (1994), Breiger (1995, 2002), and the editors of this volume provide useful accounts of this narrowing and of some of the deleterious consequences, as well as identifying prospects for moves in the opposite direction.

The papers in this section provide significant further progress and should be read with reference to one another and to this wider tradition. I suggest that our appropriate analytical aim is not to give up the goals of precision and clarity or to transcend structural approaches (as the title of my commentary might imply in the absence of this clarification), but to move beyond the sense of

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self-sufficiency, self-satisfaction, and (most ironically) self-imposed isolation that structural approaches have so easily maintained even in relation to other “structural” approaches.

CROSS-READING THESE PAPERS: MAPPING FUTURE DIRECTIONS

I will take seriously what I understand to be a main objective of the editors of this volume: to get useful conversations going among researchers who are making important progress in opening up the relation between social structure and organizations, and who are in the process of developing innovative syntheses – the people “whom to call up to get action” (Stinchcombe, 1965, p. 149), so to speak, when there are questions of founding new and productive forms of research on organizations and their social environments. Reading across these papers, here are four concerns that came to my mind as productive for future inquiry. Taken together they involve a move that, if not “poststructuralist,” significantly expands conventional structuralist accounts.

1. MOVING BEYOND “ORGANIZATIONAL” TIME IN POPULATION-ECOLOGY STUDIES.

Sacks (2002) is concerned in large part with interpreting the temporality of venture capitalists’ careers and the meaning of persons’ affiliations with firms. Sacks’s findings suggest the possibility of an inverse U-shaped relationship between individuals’ experience and their ability to obtain funding for new ventures. From the perspective of Ruef’s paper (Ruef focuses on temporal dimensions of the embeddedness of firms), Sacks is in effect considering a liability of senescence *for managers!* Is there such a thing as too much experience? “Yeah,” a venture capitalist avers,

if someone spends a ton of time working in the industry . . . it makes me question how badly they want this. If he’s been content for so long to work for someone else, I really need to know that he has a burning desire for his own show . . . I might question how current they are in terms of trends in the industry . . . If they’ve been around for a while, some of what they know may no longer be relevant . . .” (quoting one of Sacks’s interviewees).

Sacks finds that the experience of prospective clients is highly important to the capitalists he talked with, but that having too much of it casts doubt as to the motivation and drive of the entrepreneur-client. Here the person stands for the organization. If Sacks is right, then models of mortality rates need to

conceptualize mortality in reference to “career time,” not just organizational age, as a core temporal dimension; otherwise they will be misspecified. (See also Han & Moen’s 1999 study of individuals’ career sequences and multiple clocks).

Ruef’s (2002) population ecology model takes as its dependent variable the mortality rate of the organization (indexed by the organization’s age), and on the other side of the equation appear dummy variables that index the organization’s life course stage (young, adolescent, or mature ventures; see Ruef’s Eq. 2). Suppose, however, that for some purposes related to organizational mortality (such as seeking external funding), the relevant age of a firm is not (or not simply) a calendar date, but a mix of the ages of the entrepreneurs. Taking seriously the insight from Sacks’s paper, an analyst could incorporate within the population ecology model a conception of time that goes beyond calendar time (measured back to the firm’s founding date) to incorporate the experience of the organization’s founder, founding team, or key leaders. This direction might well build upon the progress made in incorporating demographic metabolism (Haveman, 1995) in explanations of tenure distributions by ecological models. And it is broadly consistent with the insights of Burton et al. (2002) into the subtle interplay of the status of organizations and that of persons who found and leave them.

This emphasis on a multiplicity of times would fit well with Sacks’s concern for the situational nature of status, and indeed was motivated by that concern. Such an emphasis would require admitting population ecology, sometimes dismissed as mere “counts of organizational founding and death rates,” to be one player (among others, to be sure) in the new synthesis of organizations and stratification that Sacks urges.

2. ENTREPRENEURIAL ACTIVITY AS IDENTITY MANAGEMENT (1): STATUS VS. REPUTATION

Sacks sees structural approaches as treating the concept of status as measurable and durable. To the structural approach Sacks opposes “interactionist ideas,” such as Goffman’s, that take reputation as situational and emergent (see note 6 of Sacks, 2002), a quality to be managed strategically. The double opposition of structure – interaction and of status – reputation, following in spirit from Goffman’s (1956) opposition of deference and demeanor (inscribing a difference between rituals appropriate for interpersonal encounters and the ways in which people carry themselves in performing those rituals) provides a useful tension for organizing research on (structural) embeddedness and (the performance of) entrepreneurship.

The measure of the prominence of established firms that Burton et al. (2002) have developed seems to provide a good example of a structural orientation. A main idea is that resources accrue to entrepreneurs based on the structural position of their prior employers. Entrepreneurial prominence, the core measure for an organization, is defined with reference to individuals, essentially as the sum, across each of the past employers represented on the focal firm's founding team, of the number of startups in the researchers' sample that have emanated from that employer. This concept of prominence is indeed measurable, and seemingly durable over relevant periods, an informative and useful feature of social structure.

And yet, Burton et al move beyond the structural measure, to consider how individuals manipulate their positions. They show that the prominence of past employers has a positive impact on the individual entrepreneur's propensity to pursue risky strategies. And they show that, among firms pursuing an innovative strategy, employer prominence has the expected positive, significant effect on the odds of securing external financing at startup. This supports "our claim that the reputational benefits of employer prominence reduces the perceived uncertainty of new ventures and facilitates entrepreneurial activity." As Stinchcombe elaborates in his postscript to this volume, Burton et al show that firms can legitimize their former employees by vouching with perceived truthfulness for their skills, competence, and integrity.

Returning to Sacks's reference to Goffman and to identity management, the insightful and innovative structuralism of Burton et al. is much in need of being complemented by the ethnographic contextualization that work such as Sacks's supplies. To cite one example, Burton et al write:

Prospective entrepreneurs must take action to transform an opportunity into a venture. Here, we believe that nascent entrepreneurs in entrepreneurially prominent firms vicariously benefit from the experiences of those entrepreneurs who preceded them. As employees exit to launch new ventures, they likely deposit knowledge about the appropriate steps and methods for building an enterprise with former colleagues and coworkers . . .

The first sentence in the above quotation is an assertion of a functional requisite, to the effect that action is required to make use of the structure. The subsequent sentences lay out the authors' suppositions about how, and why, such action unfolds. Research such as Sacks's is necessary to show that these suppositions – in effect, the theory of Burton et al. – are reasonable. Sacks provides evidence in the second column of his Table 1 that social network ties must be to industry leaders to produce the effect. "No, I don't waste a lot of time calling people I don't know to check up on someone," Sacks's interviewee says.

I start at the top when I can . . . We have contacts in high places at most of the big firms.

Without at some point studying the action, and accounts of action, we have what the founder of contextual analysis referred to as mere “aggregate social psychology” (Coleman, 1958): a set-piece story that is not itself tested or even specified at the level of concrete relations among actors. Whether the action is in DiMaggio’s (1992) terms rational or practical (see also Breiger, 1995, p. 123), a theory of action is required if the goal is to understand how identities emerge out of a structure.

Burton et al suppose that the prominence of established organizations is transferred as social capital to members as they leave to launch new ventures, and Sacks’s fieldwork seems to support this idea. But it’s not an idea that can explain Roger Williams’s founding of the town of Providence and the colony of Rhode Island upon being banished from Massachusetts Bay in 1634 when the civil authorities there determined that his views were dangerous. Or consider the new associate professor in a Tier 2 department who was just last year denied tenure at a Tier 1 institution. Does the young professor in this example carry the prominence of the originating institution? We are plainly in need of a set of what Sacks calls “situational” considerations so as to sort out these foundings and founderings in a focused theory of social structure and mobility between organizations.

As a network analyst, it is important for me to point out that, while (as the authors say) Burton et al provide a view of structure that is most compatible with network theory, network theory itself (or at least certain promising developments within it) is today moving much closer to perspectives of action, discourse, and the relations of concrete practices to symbolic representation. Much contemporary analysis emphasizes the discursive framing and cultural embedding of identities within multiple social networks (Bearman & Stovel, 2000; Emirbayer & Goodwin, 1994; McLean, 1998; Mische, 2002; Mische & White, 1998; Mohr, 1999; Morh & Lee, 2000; Padgett, 2001; Steinberg, 1999 – see Breiger, 2002, for a review), in effect providing an important bridge to students of social structure and organization who are concerned with identities and interaction.

3. ENTREPRENEURIAL ACTIVITY AS IDENTITY MANAGEMENT (2): MAPPING IDENTITY SPACES.

To be sure, with its gaze turned away from concrete organizations, actors, and actions, population ecology seems an impoverished vehicle for studying emergent identities. And yet, there are at least two research strategies for bringing population ecology to bear on the study of identity management and organizational mortality. Ruef illustrates both strategies, one in his paper for this volume and the other elsewhere (Ruef, 1999, 2000).

As applied to the concept of the liability of newness, population ecology began (Freeman et al., 1983) as a rigorous effort to disentangle age dependence in organizational death rates, population heterogeneity, and a possible liability of smallness. In his discussion of age and mortality in this volume, Ruef identifies a resource space (Fig. 2) that (in typical fashion) suppresses any concern for specific organizations. His analysis might be seen nonetheless as providing a heuristic for talking about some concrete types of organization, especially (as he says in his note 13) when the ecological results are viewed from an institutional lens emphasizing stratification and agency. Specifically, following from Ruef's general concern with resources, he suggests that entrepreneurs may seek to mobilize resources from the environment by creating what Ruef calls "disposable" organizations, where the goal is not to build a functioning enterprise but to extract resources on a short-term, strategic basis. One example Ruef discusses is the business startup designed to be acquired rapidly by the dominant firm in an industry. Going further, Ruef proposes a continuum from disposable organizations to organizations that, as "institutions," are composites of participants and activities that come to have a life of their own.

It seems highly frustrating (to this reader, if not to Ruef) that, although the very useful concept of disposable organizations arises from Ruef's conceptual apparatus emphasizing a space of resources – he relates disposable organizations to "disposable workplaces" resulting from trends in globalization – the concept did not arise from the specifics of his analysis or from his analytic machinery. To pursue in a disciplined way the idea that people set up temporary organizations for a purpose, the analyst needs a way to map out fields of purpose and distinctive profiles. This can be done via Sacks-style fieldwork that is close to real action and agency and actual organizations (as I mentioned in the previous point). But another possibility is to develop formal procedures for mapping identities and their networks of relations. Mohr (1998) provides a review of many of the available procedures.

In work that is of signal importance in opening up population ecology to a broader view of structure and organizations, Ruef (1999, 2000) builds on discursive network analysis such as Mohr's, investigating organizational forms in the health care sector. He (2000) finds for example that the development of novel forms is affected by the positioning of their identities with respect to existing form identities in the larger community of several dozens of forms. Ruef's work on the coevolutionary dynamics of a community ecology is an extension of the density-dependence dynamics for individual populations (Carroll & Hannan, 2000). Simultaneously, however, the research "works" in the context of a concrete system of interrelationships between organizational suppliers,

consumers, regulators, and intermediaries operating in an institutional arena, and social demands (operationalized from organizational discourse) of power and politics are assumed to affect the development of forms (Ruef, 2000, pp. 660–661).

4. DUAL COMMENSURATION

Building on previous work (Carruthers & Stinchcombe, 2000; Espeland & Stevens, 1997; Heimer, 1985), in the postscript to this volume Stinchcombe advances the sociology of commensuration, a foundation for competition that he defines as the institutional creation of comparability, allowing quantities of a product or service to be measurable or countable and divisible into equivalence classes (“standardized” or capable of meeting a standard). Stinchcombe (2002) discusses the papers in this section (and quite a few other works) as illustrations of some of his points. Here I will suggest one additional way in which the papers in this section relate to commensuration – a highly distinctive relation that, moreover, is susceptible to specific forms of modeling that ought to be in the organizational analyst’s toolkit.

The basic phenomenon that is elucidated in the paper of Burton et al. (2002) is a metric of firm prominence based on the image that firms get prominence from the number of ventures begun by their founder’s former firms. The linkages are of the form

focal firm → founders → their former firms → number of ventures

For purposes of computing this metric, the focal firm “is” the set of persons who are its founders, and they “are” their former firms. The crucial element here is that one level of social structure is (for purposes of defining this common metric of prominence among firms) seen as constituting another level: the firm “is” the persons, who “are” in their turn their former firms. I have referred to this co-constitution of elements at one level by elements at another (higher or lower) level of social structure by the term duality (Breiger, 1990, 2000). The duality of founders and firms in comparing firms as to prominence is analogous to geometric duality in which for example a line is defined by the intersection of two planes even as a plane is defined by the intersection of two lines (Hodge & Pedoe, 1968). In sociology the idea owes much to Simmel, who wrote à propos of commensuration that, while a bridge may connect the two banks of a river, it thereby makes the distance between them measurable; similarly (a consequence of the expansion of the dyad to the triad), although procreation is the most intimate bond uniting two people, the child is “between” them from the moment of conception (Simmel, 1950).

An image of the duality of persons and organizations that is somewhat similar to that of Burton et al. appears in the foundational statement of Stinchcombe (1965). Linton Freeman and colleagues (1962) had shown that in Syracuse, the reputation of an individual for community leadership did not correlate strongly with that person's degree of participation in community decisions. "But if each man's participation in community decisions is attributed not to himself, but to the organization which employs him, then these organizational participation rates correlate very highly with the reputation for influence of the leaders of organizations" (Stinchcombe, 1965, p. 173). One consequence that Stinchcombe (p. 173) drew is that the main way for an organizational leader to get ahead is to improve the position of his organization, rather than to move up within it.

Other forms of commensuration across levels are elucidated in the papers of this section or (if I may say so in a discussion of commensuration) by a comparison among those papers. Point 1 of my commentary is that it might be useful to think about organizational age as some function of the "career time" of the persons who founded it. Sacks's paper is built on the strong sense of interdependence between careers of organizations and careers of persons, and on affiliations of entrepreneurs and venture capitalists.

Distinctive models of organizational processes have been built on this phenomenology of duality. In White's vacancy chain models "duality means invariances in models of social structure and process under the interchange of men and jobs" (White, 1970, p. 327). Coleman (1990) studies dual networks of actors and events, in which actors are connected by controlling events in which other actors are interested, and in which events are connected by being controlled by actors with interests in other events; moreover, Coleman (1990, ch. 12) defines social capital by reference to the eigenstructure of these dual networks. Bourdieu (1984) studies organizational fields on the basis of a statistical technique, correspondence analysis, which is "a technique which 'thinks' in terms of relation, as I try to do precisely with the notion of field" (Bourdieu & Wacquant, 1992, p. 96). There are very deep mathematical relations between Coleman's eigenvector approach to social capital and Bourdieu's measurement of social fields, as brought out in Breiger (2000) in a section entitled (p. 94) "Coleman and Bourdieu: dual equilibria in a social field." In a possibly poststructuralist vein, Breiger uses his discussion of the mathematical similarities of Coleman's and Bourdieu's analyses to inform a discussion (within a common frame) of their respective championing of rational choice theory and the theory of organizational fields.

A fundamental technique for studying duality is the dual (or Galois) lattice. Mohr and Duquenne (1997) is the definitive sociological work, applying this model in a study of the logic of classification practices for poor relief in New

York City around the turn of the century. Mische and Pattison (2000) study movements, social networks, and the formation of a civic culture in Brazil; they push Galois lattice analysis in the direction of research that takes time seriously, arguing for a dynamic conception of civic culture as a construction of identities, projects, and styles of interaction and the mutual penetration among these three levels. Some relations of lattices to the dimensions of Bourdieu's fields and Coleman's social capital are explored in Breiger (2000).

To recapitulate: A distinctive form of commensuration arises when units at one level (for example, a classification of types of poor people as studied by Mohr & Duquenne) are taken to be defined with reference to their differential affiliation with units at another level (by a classification of the types of aid to which different classes of poor people are entitled, in the Mohr-Duquenne study). Dual relations between levels are capable of being modeled by a range of techniques (such as Galois lattices, correspondence analysis, Coleman's concepts of actor "power" and event "value," and vacancy chains) that ought to inform the analysis of the embedding of organizational activity and change.

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