

Evolution of an organizational field and its institutions: Study of mobile telephony in India, 1990-2010

Abstract

The organizational field is a central unit of analysis in institutional theory but we have a very limited understanding of how it gets created. This dissertation attempts to answer the research question, “How does a new organizational field and its associated institutions evolve?” The phenomenal growth of mobile telephony in India in the period 1990-2010 despite many regulatory twists and turns provided an appropriate research setting for the study. This qualitative study is placed at the intersection of organizational theory, strategic management and public policy literature and applies two theoretical lenses-- institutional theory and co-evolutionary perspectives. Institutions, technology and organizational strategies are the key elements that shaped the evolution of mobile telephony in India. The co-evolutionary interplay of these elements is presented as a narrative over three distinct time periods-- 1990-1997, 1997-2002 and 2002-2010. The study focuses only on the regulative pillars of institutions. Three key theoretical insights emerge from this narrative. First, the study maps extant models of technology cycle on models of institutionalization to present an evolutionary model of an organizational field. The co-evolutionary perspectives inform that the organizations engage in institutional and technology entrepreneurship simultaneously to define the dominant technology and institutional designs for the field. Thus, the era of ferment of technology is found to overlap the era of ferment of institutions in time. Second, the institutional rules of a new organizational field do not emerge anew from vacuum but are crafted in the shadow of existing regulatory systems and the presence of actors who owe allegiance to the extant regime. This unfolds a ‘tug of war’ between ‘resistors’ and ‘reformers’ resulting in multiple “waves of institutionalization”. Thus, the evolutionary process of such change is emergent, and the eventual mosaic of institutional arrangements is unlikely to bear much resemblance with what was originally envisaged. Third, the study uses the emerging economy context of India to explicate the construction of institutional regimes as an integral facet of new industry formation. I expound the role of government as an institutional entrepreneur in crafting the institutional rules of a new industry. Contrary to the government’s portrayal as a monolithic driving force in extant literature, I found it to be riddled with contested interests that characterise the evolutionary processes of the field to be convoluted and capricious. The study contributes to the literatures on institutional theory, institutional entrepreneurship, co-evolutionary perspectives and industry emergence. It has implications for institutional theorists, entrepreneurship scholars and public policy practitioners.