Institutionalization
Organizational

The SAGE Handbook of
Introduction

Entrepreneurship, defined here in a general

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Stock and Moving Forward

Institutional Theory
Figure 2. Number of articles using an institutional-theory approach to entrepreneurship.

Accumulate Knowledge: The Institutional Theory Approach to Entrepreneurship

In the early 1990s, several works explored the role of institutional theory in entrepreneurship research. These works, such as those by Teece et al. (1997) and Barney (1991), highlighted the importance of institutions in shaping entrepreneurial behavior. This approach views entrepreneurship as a process of institutional entrepreneurship, where entrepreneurs and institutions are seen as co-constructing institutional environments.

Barney (1991) argued that firms have an inherent advantage in particular institutional contexts due to their accumulated knowledge and resources. This advantage is often referred to as "firm-specific advantage." The Institutional Theory approach emphasizes the role of institutions in shaping the entrepreneurial process. Institutional entrepreneurship as a proactive approach is increasingly recognized and studied. Institutions can be both restrictive and supportive, shaping the emergence, growth, and demise of entrepreneurial ventures.

In this context, Kolvereid (1996) and Clark et al. (1997) argue that entrepreneurship is not solely driven by individual attributes but is also influenced by the institutional context. Institutions can act as barriers or facilitators to entrepreneurship, depending on the nature of the institution and the entrepreneurial opportunity.

The Institutional Theory approach is particularly useful in understanding how institutions influence entrepreneurial behavior. It provides a framework for understanding how institutions interact with individual actors and how these interactions shape entrepreneurial outcomes. The approach also highlights the importance of institutional change in entrepreneurship, as opportunities are often created or constrained by changes in the institutional environment.
entrepreneurship

Social Movements and

entrepreneurship

The social movements that are happening around the world are a reflection of the entrepreneurial spirit. These movements are often initiated by individuals who see a need or opportunity for change and are willing to take action to bring about that change. In many cases, these movements are driven by entrepreneurial thinking and action.

For example, the environmental movement has been driven by entrepreneurs who see the need to protect the planet and create sustainable solutions. These entrepreneurs have developed new technologies and business models that are both profitable and environmentally friendly. Similarly, the social justice movement has been driven by entrepreneurs who see the need to address issues such as poverty and inequality.

Entrepreneurship is not just about creating new businesses, but also about creating new ideas, new solutions, and new ways of doing things. Social movements often start as a small idea, but with the right entrepreneurship, they can grow into powerful forces for change.
The framework of organizational innovation is a conceptual model designed to understand the process of institutional change and innovation. This model emphasizes the role of institutions in shaping the strategies, structures, and behaviors of organizations. Institutions are defined as the formal and informal rules, norms, and arrangements that govern social behavior and shape organizational actions. The model argues that institutions are not passive entities but active forces that can propel or hinder organizational innovation.

Institutions in the form of cultural norms, legal systems, and market structures can either facilitate or constrain the adoption of new innovations. For example, cultural norms may encourage or discourage certain types of organizational behavior, while legal systems may provide incentives or penalties for innovation.

The model also highlights the importance of institutional entrepreneurship, which refers to the proactive actions of individuals or groups that aim to create new institutional arrangements. These entrepreneurs can be seen as the agents of change within the framework, driving the process of institutional innovation.

In summary, the framework of organizational innovation provides a comprehensive understanding of how institutions shape the process of organizational change and innovation, highlighting the role of both formal and informal institutional forces in driving or hindering new developments.
FUTURE RESEARCH OPPORTUNITIES

- Further exploration of the relationship between organizational culture and performance outcomes.
- Examination of the mediating role of individual attributes in the relationship between organizational culture and employee satisfaction.
- Analysis of the impact of organizational culture on employee turnover and retention.
- Investigation of the influence of organizational culture on team performance.
- Study of the relationship between organizational culture and innovation and customer satisfaction.
- Exploration of the role of organizational culture in the development of sustainable practices.
- Research on the relationship between organizational culture and employee health and well-being.