

**Organizational routines:
Conventions as a source of change and stability**

Arjan Kozica^{*}, Stephan Kaiser^r, Martin Friesl^o

Abstract:

Recent research shows that organizational routines are not as rigid as previously assumed, but instead are subject to significant endogenous change in the very process of their performance. We contribute to the discussion on organizational routines by describing the conventionalist perspective and elaborating how this perspective can provide more nuanced insights into why the performance of organizational routines changes or remains stable. Drawing on the theory of Economy of Conventions, we argue that focusing on the actor's requirement for justification can provide new insights into the reasons for stability and change in routines.

JEL: L2, M1, Z13

Keywords: organizational routines, justification, economy of conventions, change, stability

* Führungsakademie der Bundeswehr

Department for Military Leadership and Organization

Blomkamp 61, 22549 Hamburg, Germany

arjan.kozica@unibw.de

^r Universität der Bundeswehr München

Chair for Human Resources Management and Organization

Werner-Heisenberg-Weg 39, 85579 Neubiberg, Germany

stephan.kaiser@unibw.de

^o Lancaster University Management School

Centre for Strategic Management

Bailrigg, Lancaster, LA1 4YX, UK

m.friesl@lancaster.ac.uk

1. Introduction

A growing body of research on organizational routines shows that routines can be characterized by endogenous change (D'Adderio (2008); Feldman (2000); Feldman and Pentland (2003); Howard-Grenville (2005); Parmigiani and Howard-Grenville (2011); Rerup and Feldman (2011)). Although actors are constrained by rules and their existing understandings of routines, this line of research acknowledges that actors still have significant degrees of freedom in how they interpret given situations and in how they perform routines in specific practice (Bruns (2009); Essén (2008); Feldman (2000)). Hence, situation-specific enactments of routines might result in deviations from formal rules (Bruns (2009); Desai (2010)), but also in the eventual readjustment of the actors' understanding of those routines (Feldman and Pentland (2003)). In this paper, we argue that to reveal or "unpack" the factors that influence the stability of organizational routine or changes to that routine, we must develop a deeper understanding of how actors justify changes in the performance of routines and deviations from formal rules.

The notion of stability and change is a long-standing topic in research on organizational routines. Understanding the phenomena of stability and change in routines requires an in-depth investigation of the underlying mechanisms of the performance of those routines. The growing literature on organizational routines, which is based on behavioral perspectives and on theories of social practice, has contributed substantially to our understanding of these mechanisms. From a behavioral perspective, researchers characterize organizational routines as habitual responses to external stimuli (Gersick and Hackman (1990)). Habitualized routines reduce the amount of cognitive energy that an individual requires to achieve certain objectives, because the individual does not have to think about alternatives (see also Ashforth and Fried (1988)). Hence, changes in organizational routines can be triggered just by "extraordinary events" (Gersick and Hackman (1990)). By drawing on theories of social practice (Bourdieu (1990); Giddens (1986)), recent research extends the view of routines as habits by stressing that routines are characterized by a dual ontology of "structure" and "agency" (Giddens (1986)). That is, routines change based on the selective retention of specific performances of those routines (Feldman (2000, 2003)), a process that highlights the fact that actors are not "cultural dopes" (for this description, see Garfinkel (1967)). Instead, they possess significant reflexive capacities and degrees of freedom (Emirbayer and Mische (1998)) in how they perform routines in practice. However, as shown by recent empirical research, the performance of routines is always shaped by norms and values (Bruns (2009); Essén (2008)) that might be shared across industries or

societies (Stark (2009)). As yet, we have no in-depth understanding of how these institutional factors (Thornton and Ocasio (2008)) affect the performance of routines. However, we do know that the institutional environment provides interpretive schemata (Beamish and Biggart (2010)) that influence how actors evaluate situations and how they behave in organizational routines.

In line with recent research on strategy as practice (Denis, Langley, and Rouleou 2007) and institutional theory (Patriotta, Gond, and Schultz (2010)), we suggest that researchers can apply a conventionalist perspective to formulate theories on the factors that may influence the performance of routines. Conventions are a means of enabling coordination in social situations. The notion of conventions emphasizes social accountability as well as the justification of actions (Biggart and Beamish (2003)). Convention theory promises a more nuanced perspective on how actors try to justify their behavior as part of the performance of routines. Convention theorists argue that "...many situations in social life can be analyzed by their *requirement for the justification of action*" (Boltanski and Thévenot (1999,)), our italics). In particular, analyzing the process of justification, i.e. when actors state reasons for their actions, improves our understanding of the origins of the behavioral manifestations of the performance of routines. In this paper, we develop this idea in greater detail by drawing on the publication, "On justification" (Boltanski and Thévenot (2006)) and the elaboration of the "Economy of Conventions" (Boltanski and Thévenot (1999, 2000), Biggart and Beamish (2003), Diaz-Bone (2011), Jagd (2004, 2007); Wagner (1994, 1999), Wilkinson (1997)).

We make two contributions to the literature on stability and change in routines. First, we refine the notion of how people interact and justify the performance of routines, i.e., we define the interactionist dimension. Second, we integrate the institutional environment in terms of conventions into the conceptualization of organizational routines and discuss how actors refer to local and common forms of understanding when they are engaged in organizational routines. In addition to these theoretical contributions, we indicate ways in which the conventionalist perspective can be applied in empirical research.

The paper is structured as follows. In section 2, we identify some of the limitations in the current conceptualizations of organizational routines. In section 3 we introduce the Economy of Conventions as a promising theoretical approach to investigating this phenomenon. In section 4, building on convention theory, we illustrate what the conventionalist perspective on organizational routines can offer to the researcher in terms of improving our understanding of organizational routines. In

section 5, we indicate some of the methodological implications of adapting this conventionalist perspective to empirical research. In section 6 we present a brief conclusion.

2. State of research and research gaps

2.1 Structure and agency in current research on routines

Traditionally, routines have been conceptualized as what Nelson and Winter (1982) call the “genes” or and Cohen and Bacdayan (1994) call the “memory” of organizations. These metaphorical terms emphasize the stable and persistent character of organizational routines. However, a growing body of more recent research on organizational routines shows that routines are not as rigid as previously assumed, but can change endogenously through the very performance of those routines (Feldman (2000); Feldman and Pentland (2003); D'Adderio (2009); Parmigiani and Howard-Grenville (2011)). This line of research acknowledges the social character of organizational routines and tries to understand the significance of the micro-level aspects of how routines are enacted in practice (Parmigiani and Howard-Grenville (2011)). For instance, Salvato (2009) focuses on ‘ordinary activities’ that build up organizational routines; Feldman and Rafaelo (2002) addresses the ‘connections between people’ that influence the common enactment and (re-)creation of organizational routines; van de Steen (2009) concentrates on behavioral scripts as “individual resources for routines”; and Rerup and Feldman (2011) unpack how trial and error-based learning facilitates the emergence of and change in routines.

Moreover, research on organizational routines is increasingly focuses on how tools and artifacts and individual performances are mutually adapted (D'Adderio (2003, 2008); Orlikowski (2007); Pentland and Feldman (2005)). Technology in particular has been recognized as a special kind of artifact that has a major influence on organizational routines (e.g., Barley and Tolbert (1997); Edmonson, Bohmer, and Pisano (2001); Pentland (2007); Boudreau and Robey (2005); D'Adderio (2003), (2009)). For instance, Barley (1986) analyzes how the introduction of a new CT scanner in different hospitals first disrupts existing social structures and then, after a period of “re-structuring” between physicians, radiologists and nurses, leads to a new social order, different patterns of action, and different organizational routines. To give a further example, D'Adderio (2008) shows that standard operational procedures that are based on a software-based data and process management tool constrain individual actions, but coincidentally have to be interpreted and incorporated into the performance of specific routines with some degrees of freedom. Based on actor–network theory, re-

searchers argue that the human and non-human agencies that are embedded in technologies and objects are deeply rooted in the performance of routines (D'Adderio (2010)).

On a theoretical level, the practice perspective on routines (Parmigiani and Howard-Grenville (2011)) imply a duality of structure and agency (Giddens (1986)). In this respect, research has differentiated between 'representation' and 'expressions' (Cohen, Burkhart, Dosi, Egidi, Marengo, Warglien, and Winter (1996)) or between 'ostensive' and 'performative' aspects of routines (Feldman (2000); Feldman and Pentland (2003)). Feldman and Pentland's view has deeply influenced current thinking on organizational routines. Following Feldman and Pentland (2003), the ostensive aspect entails the abstract understandings of organizational members of their general idea is of an organizational routine. The ostensive understanding of the routine guides the members of an organization in their behavior; it helps them to identify specific routines and account for their individual activity within those routines. The ostensive aspect is always incomplete, in the sense that it lacks the very context that is necessary for the routine performance (Blau (1955); Hayek (1944); Reynaud (2005)). Thus, the ostensive aspect of a routine is not the embodiment of the routine itself. Empirical research shows that routines are always performed differently, based on the decisions of individuals and the constraints of the organizational environment (Essén (2008); Feldman and Pentland (2003); Howard-Grenville (2005)). It is the performative aspect that encompasses the specific actions taken by people engaged in organizational routines. Yet, the ostensive and the performative aspects of organizational routines are inextricably linked (Feldman (2000); Feldman and Pentland (2003)). On the one hand, the situated performances of a routine reinforce the ostensive aspect; on the other hand, ostensive understandings evolve over time through the selective retention of specific performances of that routine. This process of selective retention is highly political, because it may involve changes to formal rules and to how routines are performed in the future (Feldman and Pentland (2003)).

2.2 Limitations of current notions of agency in organizational routines

The research described above has substantially enhanced our understanding of routines as sources of both stability and change. However, in this paper, we address two shortcomings in the research on organizational routines.

First, current theory on organizational routines ignores the way in which interactions among actors shape the performance of routines (similar to Felin and Foss (2009); Felin et al. (2012)); Hallett and Ventresca (2006)). The performance of routines in practice requires coordination, and this coordina-

tion also entails an interactionist dimension. By ‘interactionist dimension’, we refer to the interdependencies of actors when they are performing routines in practice. Actors must negotiate a shared understanding of the routine and justify their behavior, either by referring to the routine itself or other points of reference. This interactionist dimension goes beyond merely adapting activities within the organizational routine, either through standardization or through forms of ad hoc coordination by informal communication (which Mintzberg (1980) calls "mutual adjustment".) But researchers have not yet extensively discussed these micro-interactions between different actors engaged in the performance of organizational routines. For instance, although Feldman (2000) highlights the role of shared understandings in performing organizational routines, she does not further elaborate this idea. Thus far, the interactionist dimension of routines has been conceptualized as the “interdependence of actions [which] can set practical constraints on individuals that are unique to particular performances” (Feldman and Pentland (2003), see also Jarzabkowski, Le, and Feldman (2012)). Hence, we know only a little about the social interactions between actors, and—at least within the scope of this paper—little about the processes of negotiation and justification that lead to change or stability in the ostensive and performative aspects of routines (Feldman and Pentland (2003)).

Second, current theories on organizational routines do not take into account how the institutional environment influences actors in performing their routines. There is only a limited discussion of this issue in the research thus far, for instance, in terms of the embeddedness of routines within other organizational structures, such as cultural expectations (Howard-Grenville (2005); see also Feldman (2003), who refers to Sewell’s (1992) concept of the ‘multiplicity of structures’). Strongly embedded routines should be more stable than weakly coupled ones. However, these important insights are limited to research on organizational structures. Looking beyond this context, some researchers argue that the *routine-specific* structures of routines are further enmeshed in or informed by institutional elements from the organizational environment (Greenwood (2008)). Current conceptualizations of agency (e.g., those based on Emirbayer and Mische (1998)) in the theories on organizational routines do not consider the wider institutional aspects such as societal logics that affect actors’ everyday actions and interactions (Friedland and Alford (1994); Thornton and Ocasio (2008)).

Some of the aspects discussed above have been examined in research on organizational institutionalism (Greenwood (2008)). This research aims at understanding how people in organizations deal with a multiplicity of different societal logics and how they shape the individual’s activities in specific situations (Zilber (2002); Reay and Hinings (2009)). For instance, Reay and Hinings (2009)

show that actors who are guided by different kinds of institutional logics such as a business-oriented logic or a healthcare-oriented logic in a hospital, can manage their competing sets of logics by establishing specific forms of collaborations (e.g., decision-making routines). Hence, changes in the institutional environment, such as when a new logic enters established fields, provoke changes in the organizational routines.

Nonetheless, to our knowledge, these aspects have not been part of the theoretical discussion on organizational routines. However, trying to integrate the notion of societal logics, in which the focus is on rivalry, contradictions, and opposition, into the discussion on organizational routines would be like using a sledgehammer to crack a nut, considering the subtlety of the changes in routines that interest researchers. Hence, we introduce the Economy of Conventions into the discussion on organizational routines.

3. Economy of Conventions

3.1 Defining Convention: Conventions as a means of coordination

In social situations actors must share and adjust their activities to achieve common objectives. According to the Economy of Conventions (EC), actors face uncertainty whenever they are engaged in situations that require coordination (Gomez and Jones (2000)). Yet, regardless of this uncertainty, people must take action (Jaeger (2001)). Actors need to agree on the situation and context in which activities are to take place (Eymard-Duvernay (2010)) and on which actions they deem are appropriate for accomplishing coordination. To evaluate the characteristics of a situation, actors draw up conventions (Eymard-Duvernay (2010); Eymard-Duvernay et al. (2005)). Biggart and Beamish (2003) define conventions as "...shared templates for interpreting situations and planning courses of action". Conventions offer the possibility of coordination between individuals, and hence the pursuit of common intentions (Diaz-Bone and Thévenot (2010)). Conventions also "provide a basis for judging the appropriateness of acts by [the] self and others" (Biggart and Beamish (2003)), and thus provide a moral background for justifications and criticisms.

A type of convention that is widely discussed in convention theory is the 'quality convention.' Quality conventions frame an individual's expectations about the quality of products in terms, for instance, of visual appearance and taste. Convention theory assumes that there are pluralities of

(quality) conventions which are relevant in social situations. For example, in the market for French camembert cheese, convention theorists have identified two main quality conventions: a traditionally produced, handmade delicacy and an industrially produced standardized product (Diaz-Bone (2009)). These two quality conventions frame the uncertainty of customer's expectations about a product's characteristics, such as taste, price, or social prestige. They also inform consumers' interpretations of how to produce camembert (mass-produced or handmade), and influence the quality of the primary ingredients (homogenized milk or raw milk).

Drawing on quality conventions allows for social coordination. For example, operational staff and managers in a camembert-producing firm apply conventional understandings of product quality when they discuss the introduction of new manufacturing technologies. A new technology would be valued differently according to whether the actors apply the traditional or the industrial quality convention for camembert. In the traditional scenario, a technology that would merely support the handmade production process would be accepted, but not if it would diminish the handcrafted element by standardizing the product quality. Hence, conventional notions of product quality are not limited to a customer's perspective but instead influence organizations or entire industries (Murdoch, Marsden, and Banks (2000); Storper (1997)) or value chains (Ponte and Gibbon (2005)). Quality conventions establish coherence (e.g., of expectations) within firms and between different producers, suppliers and customers (Diaz-Bone (2007, 2009)).

3.2 Justification and critical situations: unfolding conventions

The convention-based evaluation of situations does not necessarily lead to immediate, or even tacit, mutual agreement between actors. More often than not, actors disagree. When coordination is not based on actors' shared tacit understanding, actors need to coordinate themselves explicitly. Convention theory refers to such situations of explicit coordination as 'critical situations.' In critical situations (also called critical moments, disputes, causes, or affairs (Wagner (1994)) actors must reveal the conventions that they use implicitly, and which are likely to justify their interpretations and actions explicitly to negotiate appropriate courses of action (Boltanski and Thévenot (2006)). For instance, a cheese dairy that relies mainly on the traditional handmade production of camembert can face a significant challenge if it is required to reduce costs, e.g., by introducing more efficient technologies. By deciding how to cope with this challenge, conventions, which have already been implicitly applied before the change was deemed necessary, serve as a focal point for explicit justifications. If actors do not share an implicit understanding of where to draw the line between sup-

porting handmade production and diminishing traditional product quality, this issue must be negotiated explicitly. Actors then draw on conventions in negotiating this issue and justifying their evaluations of this change.

When actors justify their evaluations (i.e., how they interpret a situation) and their actions, they refer to conventions. If actors ignore conventions, they “risk being unintelligible to others or judged immoral or irrational” (Biggart and Beamish (2003)). However, justifications are not limited to retrospective rationalizations of either planned actions or those put into practice. Justification not only works ex post for what has already been done, but also, actors anticipate ex ante that they can be challenged to justify their actions and orient their behavior based on this potential need for justification. According to the EC, “participants collectively address uncertainty by seeking both *a priori* and retrospective justifications for their actions” (Beamish and Biggart (2010)).

3.3 Orders of worth: The moral foundations of conventions

Actors rely on conventions to justify their actions. However, within the same situation there can be several conventions on which actors rely (Boltanski and Thévenot (1999)). Hence, the expression of an explicit justification by one actor might compete with those of other actors who might rely on other conventions. Convention-based arguments are more persuasive when they are backed by widely accepted norms. The recourse to the *normative elements (rationalities)* of the environment can be a reliable source for reinforcing justifications with morality. The EC not only stresses that there is a plurality of conventions (such as quality conventions) that can be applied to the same situation, but also that there is a plurality of rationalities. Boltanski and Thévenot (2006) suggest a typology of competing rationalities: inspired, domestic, civic, opinion, market, and industrial. They call this framework of rationalities ‘orders of worth’ and the rationalities itself ‘worlds’.¹ Each world has specific characteristics. The industrial world, for instance, is grounded in efficiency and productivity. The industrial world is very important in larger organizations, but also can be relevant in other social settings. By contrast, the domestic world is reserved for interpersonal relationships, in which trust, reliance, and honesty rather than strategic interests are relevant. Such relationships are not restricted to contexts of family and friends, but instead function in all situations in which individuals know each other personally (Boltanski and Thévenot (1999, 2006)).

¹ Orders of worth have some similarities with institutional logics of Friedland and Alford (1994), or with value spheres of Max Weber (2007). For the difference, which cannot be elaborated here due to space limitations, we refer the reader to Cloutier and Langley (2007) and Daudigeos and Valiorgue (2010).

Orders of worth are the fundamental normative basis of conventions. Therefore, actors may draw on them as a last resort in their evaluative practices and justifications. Every situation is characterized by a complex interplay of a multitude of rationalities. Actors can negotiate compromises between different rationalities and then embed them in local forms of conventions. For instance, both the mechanized and the handmade forms of camembert production are based on the industrial world and the domestic world of justification: handmade production needs to be efficient, while industrial production must rely on interpersonal relationships and familiarity. However, the way in which these orders of worth (rationalities) are interwoven and integrated into the conventions of producing camembert differ substantially (Thévenot (2001)). Although in this exemplar both quality conventions include elements from both the industrial and domestic worlds of justification, the industrial world is more prevalent in the industrial quality convention, and the domestic world of personalized firm–product–customer relationships is more dominant in the traditional quality convention (Diaz-Bone (2009)).

3.4 The role of critics in convention theory

Critics often champion explicit justifications in critical situations (Messner, Clegg, and Kornberger (2008)). Criticism can either be reformist or radical (Bourguignon and Chiapello (2005)). On the one hand, actors can voice reformist critics; they can criticize a specific scenario without questioning the fundamental orders of worth (rationalities) on which the situation is based. A performance review, for instance, is widely seen as a good way of identifying the best candidates for promotion. Performance reviews follow an industrial world of justification, in which the efficiency and performance of candidates are core values. An actor may complain that the organizational routines of a performance appraisal system (such as how the firm conducts performance appraisals) involves elements that are incompatible with the industrial world of justification that underlies the performance review (Bourguignon and Chiapello (2005)). In an explicit example of a criticism, an actor might criticize an obviously biased opinion of an evaluator because the evaluator's action does not fit the general idea of how a performance appraisal system should work. Reformist critics seek to improve the performance appraisal system by requiring that it follow the industrial world more strictly. For instance, a firm could try to strengthen its performance appraisal system by encouraging changes in the regulations or by introducing training sessions for evaluators designed to prevent the future occurrence of biased opinions.

On the other hand, actors can voice their criticism more strongly by rejecting the the rationale that underlies a particular situation. Such an actor could argue that a performance appraisal based on an industrial world of justification should be abolished and that the distribution of social goods such as promotion, status, or income should be regulated by other social mechanisms. This type of actor would be classified as a radical critic (Boltanski and Thévenot (1999)).

3.5 Conventions, social structure and institutions: some clarifications

Using the EC as a lens requires some theoretical clarifications and its theoretical location. The EC is a micro-sociological approach that, like symbolic interactionism (Blumer (1969)), focuses on the interactions between individuals. However, due to the presence of orders of worth, the EC also has a macro-structural element. Yet, the EC is a “middle-range perspective [that] begins from micro foundations, not structural ones” (Biggart and Beamish (2003)). Orders of worth and conventions do not frame individual actions deterministically (Diaz-Bone and Thévenot (2010); Storper and Salais (1997)). Conventions can be tacit and taken for granted (Gomez and Jones (2000)); convention theory explicitly stresses the critical and reflexive competencies of actors (Eymard-Duvernay (2002)). Actors are able to cope with many different orders of worth and numerous local conventions, and they are also able to apply a plurality of conventions in specific cases (Guggenheim and Potthast (2012)). The notion that actors can reflect on and criticize conventions (Boltanski (2010)) offers the possibility that conventions can be used strategically for the purpose of persuasion. Yet, the extent to which a strategic use is possible depends on the actor’s abilities as well as on how powerful the conventions are. Lazega and Favereau (2002) describe conventions as follows:

"Conventions are often agreements about how one should coordinate with others, but grounded on interpretation as much as on calculation. But to the extent they are rules, they do not determine behaviour mechanically because they have to be interpreted and applied. They are sometimes resources, sometimes constraints, depending on the situation and on where the individual is in the structure."

Insert figure 1 here

The EC distinguishes between conventions and institutions (Diaz-Bone (2011)). To understand this distinction requires a brief explanation of the relationship between them. By drawing on North’s

(1990) understanding of institutions as social rules and constraints, the EC stresses that institutions need to be interpreted and applied (Diaz-Bone (2011)). Conventions serve as interpretative schemes by which actors interpret institutions and suggest ways in which those schemes could be put into practice. The notion of conventions in the EC is similar to the notion of institutions proposed by Berger and Luckmann (1967), who also see institutions as embedded in social interaction. However, the notion of conventions looks beyond this perspective by stressing the critical and reflexive competencies of actors, and by linking conventions more closely with daily activities. Further, the EC stresses that conventions have a moral aspect, because they can be used as a means of justifying actions (Boltanski and Thévenot (2006)).

3.6 Conventions, technologies and artifacts

The EC discusses role of artifacts such as technologies, objects, or social categories such as official classifications. Conventions are enmeshed with these material elements (Thévenot (1984)). Actors use artifacts to justify their actions and to substantiate their claims. They can, for instance, refer to the perceived or factual constraints that they believe result from technological procedures or they can refer to objects that support their justifications (Boltanski and Thévenot (1999)). Conventions as a means of justifying actions are then embedded in the real or material world and materiality serves as a pillar of conventions.

To illustrate this argument, we again refer to the production of camembert. Consider a cheese dairy that produces camembert in the traditional way. The actors in this dairy discuss the possibility of introducing new technologies to improve efficiency. Based on the traditional quality convention, the managers and employees of this firm could refer to the limited ability of modern technology to produce the desired handmade quality that is inherent in their firm's camembert. Thus, in addition to its production function, technology also serves as a material reference for valuing the specific competencies of the employees, who perform tasks that cannot be done by technologies and that require many years of experience.

4. A conventionalist perspective on organizational routines

4.1 Unpacking the interactionalist dimension of organizational routines

The conventionalist perspective elaborated above enables to enrich our understanding of organizational routines. Figure 2 illustrates our arguments.

Insert figure 2 here

Current research acknowledges that routines involve multiple actors (Cohen et al. (1996)) and that routines are characterized by an “interdependence of actions” (Feldman and Pentland (2003)). Yet, research does not explain precisely how actors can actually adjust their actions with respect to those of other actors engaged in the same routine, or how they negotiate common understandings of their performance of those routines. Feldman (2000) notes that “...people, who engage in routines, adjust their actions as they develop new understandings of what they can do and of the consequences of their actions.” We agree that actors are likely to adjust their performance of routines to accommodate situation-specific constraints. However, one aspect is missing. Although most theoretical accounts emphasize that routines are performed by multiple actors (Feldman and Pentland (2003); Nelson and Winter (1982)), the requisite interactions for coordination have largely been ignored (Felin et al. (2012)). The adoption of a conventionalist perspective can contribute to rectifying this shortcoming.

In the EC, the actor's need to justify his or her actions is central. The conventionalist understanding of organizational routines shifts the focus to how actors negotiate the legitimacy of actions and the appropriateness of behavior (Boltanski (2010)). In such negotiations the actor draws on and/or constructs more or less local, as appropriate, forms of conventions (Wilkinson (1997)). By following this theoretical approach, we argue that the need for justification cannot be met by merely stating "We did it this way the last time." Instead, to achieve legitimacy actors who are performing routines can always be challenged to justify their actions. Such justified legitimacy is not primarily grounded in behaviors that are taken for granted (Suchman (1995)). Legitimacy is based in the abilities of people to justify their actions by rhetorical recourse (Suddaby and Greenwood (2005)). We argue that in performing organizational routines actors adjust their actions by implicitly or explicitly either referring to or by negotiating common understandings and local agreements about appropriate behavior.

To illustrate, we use the closing-up routine of a housing company analyzed by Feldman (2000, 2003). When students leave their residence halls at the end of the academic year, the staff of the housing company must assess any damage done. Initially, the staff checked the damages after the students had left the halls, but changed to a more structured procedure of compiling a room inventory at the beginning of the year and an on-site checking-out procedure at the end of the year. In the

new checking-out procedure, the staff and the students assess possible damage together. This new routine enables the staff to identify the students responsible for any damage and to charge the costs to those students' accounts. In this example, the staff members' experience of an inappropriate process triggers a change in the routine. However, staff members base their changes not only on efficiency arguments or learning processes that might lead to better mastery of the closing-up routine, but also on justification arguments such as "...learning how to take care of one's room was part of the education" (Feldman (2000)). This justification is quite surprising, because a housing company could be considered as a service unit that merely provides accommodation, but one that has no educational function.

The conventionalist perspective provides the opportunity to further disentangle the reasons behind the changes in the performance of this routine. Based on the EC, we can assume that staff members have negotiated this understanding of their company as an educational service, and have made it a shared convention for interpreting their daily business. After a local agreement has been established (in this case, that housing has an educational function), this shared understanding serves as way to evaluate situations that occur in their business and to justify changes. Such negotiated agreements are ongoing: they can change, but they can also become more stable and long-lasting. In the latter case, local forms of shared understandings emerge to become more or less local conventions (Boltanski (2010)).

We emphasize that people engaged in the same organizational routine do not automatically negotiate conventions within their organizational routines. We assume that the staff of the housing company established their educational understanding of their business independently from the housing routine. However, the housing routine is interwoven with the educational convention of the housing company: first, people engaged in the specific housing routine evaluate the situations and justify their actions as an educational convention. Second, the interactionalist adjustment of the actions by people directly engaged in the housing routine contributes to the refinement or adjustment of the educational convention. Hence, the relationship between organizational routines is a recursive one, similar to the relationship between the ostensive and performative aspects of routines (Feldman (2003)).

However, actors engaged in organizational routines do not have to share the same convention. Indeed, organizational routines, when viewed as recurrent patterns of action, do not depend on shared understandings but on performed actions. Interdependent, coordinated and recurrent patterns of ac-

tion can occur without common forms of understanding. For instance, in an empirical investigation of an open source software development project, Westenholz (2010) demonstrates that volunteer and employed developers have different conventionalist understandings about what they are doing and how they are doing it. Some developers do not share customer-specific components of the software because they believe that, although not regulated by treaties, these components are owned by those organizations that have paid for the development. Other developers do not share customer-specific knowledge. Instead, they rely on the idea that only the main parts of the open source software should be open to everyone and that customer-specific developments are of no interest to the wider open-source community. Nonetheless, the developers work together in a coordinated manner, sharing the same practice. This finding also applies to organizational routines; people can still work together even though they rely on different conventions.

However, when actors draw on different conventions, the arrangements of working together are fragile and may involve sources of tension. Such tensions are not simply functional or dysfunctional. Competing conventions that are relevant within the same organizational routine can trigger innovative ideas (Stark (2009)) and can bring about the readjustment of organizational routines. Hence, multiple conventions can be a source of beneficial change in organizational routines. However, they can also be a source of substantial conflict that can jeopardize organizational effectiveness. The conventionalist perspective on organizational routines takes into account the possibility that there are contradictory conventions and recognizes that the interaction between them may have either a positive or negative influence on the performance of routines. The existence of competing conventions does pose a challenge to organizations seeking to implement change, because they need to undertake "...intense work at adaption aimed at managing the tensions between different coordination conventions" (Thévenot (2001)).

4.2 Integrating institutional environments and organizational routines

As mentioned above, actors engaged in organizational routines rely on shared interpretations that they believe are widely accepted in their social environment. However, research on organizational routines has not yet considered the influence of the institutional environment (see Figure 2). One possible way of dealing with this shortcoming might be by identifying insights from research on organizational institutionalism that could be integrated into a conceptualization of organizational routines. However, the neo-institutional discourse is based mainly on structural elements, especially societal logics. Although recent research on organizational institutionalism has intensified its focus

on the elaboration of a microperspective and stresses the role of individual agency (Powell and Colyvas (2008); Hallett (2010); Hallett and Ventresca (2006)), the neo-institutional discourse primarily identifies institutional change as a consequence of institutional contradictions (e.g., Seo and Creed (2002)) or sees organizational change as an effect of changing institutional logics (Meyer and Hammerschmid (2006)). Following these ideas, organizational theorists usually juxtapose different logics on which agents rely, or postulate the coexistence of different logics or temporal arrangements over a certain period of time (Cloutier and Langley (2007); Reay and Hinings (2009); Townley (2002)).

However, research on organizational routines is interested in the process of change or the maintenance of stability in organizational routines that occurs as a result of the ongoing flux in the performance of routines. Therefore, the discussion on organizational routines should not focus on their "...predetermination by environmental conditions" (Lazarcic (2000)) or on institutional contradictions, but instead on embedded individuals who rely on (and are not predetermined to enact) societal elements. The conventionalist perspective outlined above offers the possibility of integrating institutional elements from the institutional environment. On a local level such as in a specialist organization or particular branch of industry, these institutional elements are conventions; on a higher level, they are rationales, both of which influence the performance of routines.

Taking such an approach would contribute to our understanding of the difficulties encountered in the replication of routines (Winter and Szulanski (2001); Güttel et al. (2012)). Local conventions, which can extend beyond a single organization, can foster or hinder the transferability of organizational routines. To elaborate, we return to the closing-up routine of the housing company analyzed by Feldman (2000). The housing company changed their checking-out routine at student halls of residence from an unstructured to a more structured procedure. This change was based on an educational-quality convention, i.e., employees perceived that the housing company has an educational function. It follows that other housing companies might have other interpretations of their job. They might have a conventionalist understanding that is based on a professional service quality. Hence, transferring the new closing-up routine of the housing company analyzed by Feldman to other housing companies might not be successful. Based on arguments of efficiency, to reduce their checking-out efforts, other housing company actors might argue in favor of a higher deposit or a higher rent to cover damages. Thus, both housing companies are able to justify their actions, albeit with reference to different conventions.

Just as local-level conventions may differ across organizations, higher-level conventions may also differ across countries. For instance, Lamont and Thévenot (2000) argue that conventions “...based on market performance are much more frequent in the United States” while conventions “...based on civic solidarity are more salient in France”. Such conventions can influence the way in which organizations conduct their business, as Weber (2000) shows in his examination of the book publishing market. Although the publishing markets in France and the United States have several commonalities such as differentiating between literary and commercial publishing, both markets differ on the embeddedness of history. French publishing houses evaluate manuscripts according to their fit with their country’s historical roots, but American publishers evaluate manuscripts with respect to their current cultural issues. American publishing houses hence are more in tune with the spirit of the age, while French ones are interesting in trying to preserve and carefully influence French cultural identity (Weber (2000)). Hence, the successful transfer of organizational routines would have to be sensitive to institutional environments' culture-specific conventions that could foster or hinder the transferability of organizational routines (see also Kostava (1996)).

5. Methodological implications

We have presented some initial ideas on what researchers on organizational routines can learn by applying a conventionalist perspective. The potential of this theoretical perspective can be leveraged by applying it to empirical research. The EC “...exhibits methodological affinities with an intellectual tradition that privilege the micro-sociology of situated action as in social interactionism and ethnomethodology” (Reinecke (2010)). We suggest that the conventionalist perspective on routines should adopt this methodological perspective and integrate it into research on organizational routines. The empirical analysis of the role of conventions in stability and change in routines requires the observation of what the EC calls critical moments (Boltanski (2010)). Critical incidents are regularly used as a means of focusing interviews on the relevant phenomenon (Easterby-Smith et al. (2008); Flanagan (1954)) and of structuring key events in process-oriented studies of organizational change (Langley (1999)). However, rather than considering critical incidents on an organization level, a conventionalist perspective shifts the emphasis to a micro-level breakdown of the routines in actors’ everyday actions and interactions, which is a nuanced but important difference (see Figure 2). Critical moments occur when something unusual happens. In organizational routines, critical moments might arise through, a decline in organizational performance, the introduction of a new regulation, or the appearance a new powerful actor (e.g., a manager) who starts to

participate in the organizational routine. Such critical moments challenge people to justify what they are doing, and might require them to change their actual behavior.

Thus, a conventionalist perspective on organizational routines requires a research strategy that does not perceive organizational routines as an outcome of interaction, but instead systematically investigates the individuals engaged in the production, reproduction, or transformation of organizational routines. The starting point for such an investigation needs to be the perspective of the people engaged in organizational routines. This research strategy contrasts with the recent contention of Pentland, Haerem, and Dillison (2010), who argue that "...behavioral manifestations are the best for empirical research on routines" and that "...the best available data are the patterns of action we observe in the surface level." Analyzing critical moments through interviews and field observation can offer interesting insights into organizational routines. Critical statements (Messner, Clegg, and Kornberger (2008)) and justifications might be used to reveal strategic interests, conscious deliberations and inter-individual negotiations that together form the basis for the performance of routines. Further, the justifications of actors may also reveal the mechanisms that underlie the performance of routines. In their expression of justifications and critical statements, actors refer to frameworks they believe are widely accepted in their social environment.

Bourguignon and Chiapello's (2005) analysis of a performance appraisal system, which we referred to earlier, is an example of a conventionalist approach. Bourguignon and Chiapello analyze the role of explicit criticisms in the evolution of a performance appraisal system over a period of ten years. They differentiate between the actors who are radical critics who generally question the underlying normative principle of performance appraisals and reformist critics who aim to improve the current system. Generally, while the radical critics question the legitimacy of the performance appraisal, the reformist critics offer explicit ways in which to enhance routine performances through more or less incremental improvements. However, Bourguignon and Chiapello find that both forms of critic trigger change in the organizational routines of the performance appraisal system.

6. Conclusion

The Economy of Conventions is a theoretical perspective that is receiving an increasing amount of attention in the field of organizational studies. In this paper, we show how the conventionalist perspective of the Economy of Conventions can contribute to our understanding of organizational routines. In Table 1 we show how the conventionalist perspective contributes to relevant discussions in

organizational routines, and how it relates to the practice perspective on organizational routines (Parmigiani and Howard-Grenville 2011).

Insert table 1 here

The Economy of Conventions stresses that actors orient their behavior in accordance with the potential requirement to justify it. To be justified is important for actors to be accepted as rational actors by others. When established conventions are part of the institutional environment of the actors concerned, these conventions can be used as references for justifications. In organizational routines, actors use conventions to evaluate situations and to negotiate common understandings of how to perform routines. The conventional perspective contributes to actors' desire to behave in a justifiable manner within organizational routines. Hence, conventions influence the performance of routines such that either the routine changes or the routine remains stable. As our main contribution, we argue that a conventionalist perspective on organizational routines allows for the integration of institutional and interactionalist elements into our theoretical understanding of organizational routines.

We note that our paper has some limitations. First, in concentrating our argument for the adoption of a conventionalist approach through the theoretical lens of the Economy of Conventions, we do not fully investigate other theories that might present similar arguments, such as those presented by Luhmann (1996) or March and Simon (1958). To achieve fuller leverage of the potential contributions of the Economy of Conventions there is a need for a more boundary-spanning analysis that considers different theoretical perspectives. Second, questions remain on how the conventionalist perspective relates to other different concepts of organizational routines. We mainly refer to the widely used definition we find in Feldman (2000) and Feldman and Pentland (2003). Therefore, we may have neglected other useful approaches. Our research focuses on how conventions influence the performance of routines. However, the relationship between conventions and routines is not unidirectional. Not only do conventions influence the performance of routines, the performance of routines can also change conventions. However, an analysis of this bidirectional relationship is beyond the scope of this paper. Tackling such questions would contribute to fully capturing the potential contributions of the Economy of Conventions.

Despite the limitations of our paper, we demonstrate that a conventionalist perspective on organizational routines can offer interesting insights that can serve as a good starting point for further research and practical advice. For instance, we show that the institutional context matters. Therefore, when organizations aim to replicate organizational routines, managers should acknowledge the influence of conventions, especially when they wish to replicate routines across cultural boundaries.

References

- Ashforth, Blake E., and Yitzhak Fried (1988), The Mindlessness of Organizational Behaviors, *Human Relations*, 41, 305-29.
- Barley, Stephen R. (1986), Technology as an Occasion for Structuring: Evidence from Observations of CT Scanners and the Social Order of Radiology Departments, *Administrative Science Quarterly*, 31, 78-108.
- Barley, Stephen R., and Pamela S. Tolbert (1997), Institutionalization and Structuration. Studying the Links between Action and Institution, *Organization Studies* 18, 93-117.
- Beamish, Thomas D., and Nicole Woolsey Biggart (2010), Social Heuristics. Decision Making and Innovation in a Networked Production Market, Working Paper '0056, Stanford.
- Becker, Markus C. (2004), Organizational Routines: A review of the literature, *Industrial and Corporate Change*, 13, 643-77.
- Berger, Peter L., and Thomas Luckmann (1967), *The social construction of reality. A treatise in the sociology of knowledge*, New York: Anchor Books.
- Biggart, Nicole W., and Thomas D. Beamish (2003), The Economic Sociology of Conventions. Habit, Custom, Practice, and Routine in Market Order, *Annual Review of Sociology*, 29, 443-64.
- Blau, Peter M. (1955), *The dynamics of bureaucracy; a study of interpersonal relations in two government agencies*. Chicago: University of Chicago Press.
- Blumer, Herbert (1968), *Symbolic Interactionism. Perspective and Method*. Englewood Cliffs, NJ: Prentice-Hall.
- Boltanski, Luc (2010), *Soziologie und Sozialkritik. Frankfurter Adorno-Vorlesungen 2008*, Berlin: Suhrkamp.
- Boltanski, Luc and Laurant Thévenot (1983), Finding one's way in social space: a study based on games, *Social Science Information*, 22, 631-80.
- Boltanski, Luc, and Laurent Thévenot (1999), The Sociology of Critical Capacity'. *European Journal of Social Theory*, 2/3, 359-77.
- Boltanski, Luc, and Laurent Thévenot (2000), The Reality of Moral Expectations. A Sociology of Situated Judgement, *Philosophical Explorations*, 3, 208-31.

- Boltanski, Luc, and Laurent Thévenot (2006), *On justification. Economies of worth*. Princeton, NJ: Princeton Univ. Press.
- Boudreau, Marie-Claude, and Daniel Robey (2005), Enacting Integrated Information Technology. A Human Agency Perspective, *Organization Science*, 16, 3-18.
- Bourdieu, Pierre (1990), *The logic of practice*. Stanford Calif.: Stanford University Press.
- Bourdieu, Pierre (2000), Making the economic habitus. Algerian workers revisited'. *Ethnography*, 17, 17-41.
- Bourguignon, Annick, and Eve Chiapello (2005), The role of criticism in the dynamics of performance evaluation systems, *Critical Perspectives on Accounting*, 16, 665-700.
- Bruns, Hille C. (2009), Leveraging functionality in safety routines. Examining the divergence of rules and performance, *Human Relations*, 62, 1399-426.
- Cloutier, Charlotte, and Ann Langley (2007), Competing Rationalities in Organizations: A theoretical and methodological Overview, *Cahiers de Recherche du GePS*, 1.
- Cohen, Michael D., and Paul Bacdayan (1994), Organizational Routines Are Stored as Procedural Memory. Evidence from a Laboratory Study, *Organization Science*, 5, 554-68.
- Cohen, Michael D., Roger Burkhart, Giovanni Dosi, Massimo Egidi, Luigi Marengo, Massimo Warglien, and Sidney G. Winter (1996), Routines and Other Recurring Action Patterns of Organizations. *Contemporary Research Issues, Industrial and Corporate Change*, 5, 653-98.
- D'Adderio, Luciana (2003), Configuring software, reconfiguring memories. the influence of integrated systems on the reproduction of knowledge and routines, *Industrial and Corporate Change*, 12, 312-50.
- D'Adderio, Luciana (2008), The performativity of routines. Theorising the influence of artifacts and distributed agencies on routines dynamics, *Research Policy*, 37, 769-89.
- D'Adderio, Luciana (2009), The Influence of artefacts and distributed agencies on routines' dynamics. From representation to performance, in Marcus C. Becker (ed.) *Organizational routines. Advancing empirical research*, Cheltenham: Elgar, 185-222.
- D'Adderio, Luciana (2010), Artifacts at the centre of routines: Performing the material turn in routines theory. *Journal of Institutional Economics*, 6, 1-34.

- Daudigeos, Thibault, and Bertrand Valiorgue (2010), Convention Theory. Is there a french school of organizational institutionalism?, Paper presented on the Workshop "Institutions Justified", 01.-03. December 2010, Vienna
- Denis, Jean-Luis, Ann Langley, and Linda Rouleou (2007), Strategizing in pluralistic contexts: Rethinking theoretical frames, *Human Relation*, 60, 179-215.
- Desai, Vinit M. (2010), Rule Violations and Organizational Search. A Review and Extension, *International Journal of Management Reviews*, 12, 184-200.
- Diaz-Bone, Rainer (2007), Qualitätskonventionen in ökonomischen Feldern, *Berliner Journal für Soziologie*, 4, 89-509.
- Diaz-Bone, Rainer (2009), Qualitätskonventionen als Diskursordnungen, in Märkten, Rainer Diaz-Bone and Gertraude Krell (ed.), *Diskurs und Ökonomie. Diskursanalytische Perspektiven auf Märkte und Organisationen*. Wiesbaden: VS Verlag für Sozialwissenschaften.
- Diaz-Bone, Rainer, and Laurent Thévenot (2010), Die Soziologie der Konventionen. Die Theorie der Konventionen als ein zentraler Bestandteil der neuen französischen Sozialwissenschaften, *Trivium - Deutsch-französische Zeitschrift für Geistes- und Sozialwissenschaften*, 5, 1-10.
- Diaz-Bone, Rainer (2011), The Methodological Standpoint of the "économie des conventions", *Historical Social Research*, 36, 43-63.
- Easterby-Smith, M., Richard Thorpe, and Paul Jackson (2008), *Management research*. London: Sage.
- Edmonson, Amy C, Richard M. Bohmer, and Gary P. Pisano (2001), Disrupted Routines. Team Learning and New Technology Implementation in Hospitals, *Administrative Science Quarterly*, 46, 685-716.
- Emirbayer, Mustafa, and Ann Mische (1998), What Is Agency?, *The American Journal of Sociology*, 103, 962-1023.
- Essén, Anna (2008), Variability as a source of stability. Studying routines in the elderly home care setting, *Human Relations*, 61, 1617-44.
- Eymard-Duvernay, Francois (2002), Conventionalist approaches to enterprise' Oliver Favereau and Emmanuel Lazega (ed.), *Conventions and Structures in Economic Organization. Market, Networks and Hierarchies*, Celtenham, UK; Northampton, MA, USA: Edward Elgar, 60-78.

- Eymard-Duvernay, Francois (2010), Konventionalistische Ansätze in der Unternehmensforschung, *Trivium - Deutsch-französische Zeitschrift für Geistes- und Sozialwissenschaften*, 5, 1-12.
- Eymard-Duvernay, Francois, Oliver Favereau, Orléan André, Robert Salais, and Laurent Thévenot (2005), Pluralist Integration in the Economic and Social Sciences. *The Economy of Conventions*, *post-autistic economics review*, 34, [online journal, <http://www.paecon.net/PAERReview/issue34/Thevenot34.htm>].
- Feldman, Martha S. (2000), Organizational Routines as a Source of Continuous Change, *Organization Science*, 11, 611-29.
- Feldman, Martha S. (2003), A performative perspective on stability and change in organizational routines, *Industrial and Corporate Change*, 12, 727-52.
- Feldman, Martha S., and Anat Rafaeli (2002), Organizational Routines as Sources of Connections and Understandings, *Journal of Management Studies*, 39, 309-31.
- Feldman, Martha S., and Brian T. Pentland (2003), Reconceptualizing Organizational Routines as a Source of Flexibility and Change, *Administrative Science Quarterly*, 48, 94-118.
- Felin, Teppo, and Nicolai Foss (2009), Organizational routines and capabilities. Historical drift and a course-correction toward microfoundations, *Scandinavian Journal of Management*, 25, 157-67.
- Felin, Teppo, Foss, Nicolai J., Heimeriks Koen H., and Madsen, Tammy L. (2012), Microfoundations of Routines and Capabilities: Individuals, Processes, and Structure, *Journal of Management Studies*, 49 (8), 1351-74.
- Flanagan, John C. (1954), The critical incident technique, *Psychological Bulletin*, 1, 327-58.
- Friedland, Roger, and Robert Alford (1994), Bringing Society Back: Symbols, Practices, and Institutional Contradictions, in Walter W. Powell and Paul J. DiMaggio (ed.), *The new institutionalism in organizational analysis*, Chicago: Univ. of Chicago Press., 232-63.
- Garfinkel, Harold (1967), *Studies in Ethnomethodology*, Englewood Cliffs, NJ: Prentice-Hall
- Gersick, Connie J. G., and Richard J. Hackman (1990), Habitual Routines in Task-Performing Groups, *Organizational Behavior and Human Decision Processes*, 47, 65-97.
- Giddens, Anthony (1986), *The constitution of society. Outline of the theory of structuration*, Berkeley: Univ. of California Press.

- Gomez, Pierre-Yves, and Brittany C. Jones (2000), Conventions: An Interpretation of Deep Structures in Organizations, *Organization Science*, 11, 696-708.
- Guggenheim Michael, and Jörg Potthast (2012): Symmetrical twins: On the relationship between Actor-Network theory and the sociology of critical capacity, *European Journal of Social Theory*, 15, 157-78.
- Güttel, Wolfgang H., Stefan W. Konlechner, Barbara Müller, Julia K. Trede, and Mark Lehrer (2012), Facilitating Ambidexterity in Replicator Organizations: Artifacts in Their Role as Routine-Recreators, *Schmalenbach Business Review (sbr)*, 64, 187-203.
- Greenwood, Royston (2008), *The SAGE handbook of organizational institutionalism*, Los Angeles, Calif.: Sage Publ.
- Hallett, Tim (2010), The Myth Incarnate. Recoupling Processes, Turmoil, and Inhabited Institutions in an Urban Elementary School, *American Sociological Review*, 75, 52-74.
- Hallett, Tim, and Marc J. Ventresca (2006), Inhabited institutions. Social interactions and organizational forms in Gouldner's Patterns of Industrial Bureaucracy, *Theory and Society*, 35, 213-36.
- Hayek, Friedrich A. V. (1944), *The road to seldom*. New York: George Routledge&Sons.
- Howard-Grenville, Jennifer A. (2005), The Persistence of Flexible Organizational Routines. The Role of Agency and Organizational Context, *Organization Science*, 16, 618-36.
- Jaeger, Carlo (2001), *Risk, uncertainty, and rational action*. London: Earthscan.
- Jagd, Soren (2004), Laurent Thévenot and the French Convention School. A Short Introduction, *Economic Sociology - European Electronic Newsletter*, 5, 2-9.
- Jagd, Soren (2007), Economics of Convention and New Economic Sociology. Mutual Inspiration and Dialogue, *Current Sociology*, 55, 75-91.
- Jarzabkowski, Paula, Jane K. Le, and Martha S. Feldman (2012), Toward a Theory of Coordinating: Creating Coordinating Mechanisms in Practice, *Organization Science*, 23, 907-27.
- Kostava, Tatiana (1996), Transnational Transfer of Strategic Organizational Practices: A Contextual Perspective, *Academy of Management Review*, 24, 308-24.
- Lamont, Michèle, and Laurent Thévenot (2000), Introduction: toward a renewed comparative cultural sociology, in Michèle Lamont and Laurent Thévenot (ed.), *Rethinking comparative cultural*

- sociology. *Repertoires of evaluation in France and the United States.*, Cambridge: Cambridge Univ. Press, 1-24.
- Langley, Ann (1999), Strategies for theorizing from process data, *Academy of Management Review*, 24 (4), 691-710.
- Lazarcic, Nathalie (2000), The role of routines, rules and habits in collective learning. Some epistemological considerations, *European Journal of Economic and Social Systems*, 14, 157-71.
- Lazega, Emmanuel, and Oliver Favereau (2002), Introduction, in Oliver Favereau and Emmanuel Lazega (ed.), *Conventions and Structures in Economic Organization. Market, Networks and Hierarchies*, Cheltenham, UK; Northampton, MA, USA: Edward Elgar, 1-28.
- Luhmann, Niklas (1996), *Social Systems*, Stanford: University Press.
- Nelson, Richard R., and Sidney G. Winter (1982), *An evolutionary theory of economic change*. Cambridge, Mass.: The Belknap Press of Harvard Univ. Press.
- North, Douglas (1990), *Institutions, institutional change and economic performance*. Cambridge: Cambridge University Press.
- March, James and Herbert A. Simon (1958), *Organizations*, New York: Wiley.
- Messner, Martin, Stewart Clegg, and Martin Kornberger (2008), Critical Practices in Organizations, *Journal of Management Inquiry*, 17, 68-82.
- Meyer, Renate E., and Hammerschmid Gerhard (2006), Changing Institutional Logics and Executive Identities. A Managerial Challenge to Public Administration in Austria, *American Behavioral Scientist*, 49, 1000-14.
- Mintzberg, Henry (1980), Structure in 5's: A Synthesis of the Research on Organizational Design, *Management Science*, 26, 322-41.
- Murdoch, Jonathan, Terry Marsden, and Jo Banks (2000), Quality, Nature, and Embeddedness. Some Theoretical Considerations in the Context of the Food Sector, *Economic Geography*, 76, 107-25.
- Orlikowski, Wanda J. (2007), Sociomaterial Practices: Exploring Technology at Work, *Organization Studies*, 28, 1435-48.
- Parmigiani, Anne and Howard-Grenville, Jennifer A. (2011), Routines Revisited: Exploring the Capabilities and Practice Perspectives, *The Academy of Management Annals*, 5, 413-53.

- Patriotta, Gerardo, Gond, Jean-Pascal, Schultz, Friederike (2010) Maintaining Legitimacy: Controversies, Orders of Worth and Public Justification. *Journal of Management Studies*, 48, 1804-36.
- Pentland, Brian T., and Feldman, Martha S. (2005), Organizational routines as a unit of analysis, *Industrial and Corporate Change*, 14 (5), 793-815.
- Pentland, Brian T., Thorvald Haerem, and Hillison Derek (2010), Comparing Organizational Routines as Recurrent Patterns of Action, *Organization Studies*, 31, 917-40.
- Ponte, Stefano, and Peter Gibbon (2005), Quality standards, conventions and the governance of global value chains, *Economy and Society*, 34, 1-31.
- Powell, Walter W., and Jeannette A. Colyvas (2008), Micofoundations of Institutional Theory, in Royston Greenwood (ed.), *The SAGE handbook of organizational institutionalism*, Los Angeles, Calif.: Sage Publ., 276-98.
- Reay, Trish, and C. R. Hinings (2009), Managing the Rivalry of Competing Institutional Logics, *Organization Studies*, 30, 629-52.
- Reinecke, Juliane (2010), A Critical Theory of Institutions. Some Insights from Pragmatist Sociology of Critique, Paper presented at the workshop "Institutions Justified", 01.-03. December 2010, Vienna.
- Rerup, Claus, and Feldman, Martha S. (2011), Routines as a Source of Change in Organizational Schemata: The Role of Trial-and-Error Learning, *Academy of Management Journal*, 54 (3), 577-610.
- Salvato, Carlo (2009), Capabilities Unveiled. The Role of Ordinary Activities in the Evolution of Product Development Processes, *Organization Science*, 20, 384-409.
- Stark, David (2009), *The sense of dissonance. Accounts of worth in economic life*. Princeton, NJ: Princeton Univ. Press.
- Storper, Michael, and Robert Salais (1997), *Worlds of production. The action frameworks of the economy*. Cambridge, Mass.: Harvard Univ. Press.
- Seo, Myeong-Gu, and Douglas W. E. Creed (2002), Institutional Contradictions, Praxis, and Institutional Change. A Dialectical Perspective, *Academy of Management Review*, 27, 222-47.
- Sewell, William H. (1992), A Theory of Structure: Duality, Agency and Transformation, *American Journal of Sociology*, 98, 1-29.

- Suchman, Mark C. (1995), *Managing Legitimacy. Strategic and Institutional Approaches*, *Academy of Management Review*, 3, 571-610.
- Suddaby, Roy, and Royston Greenwood (2005), *Rhetorical Strategies of Legitimacy*, *Administrative Science Quarterly*, 50, 35-67.
- Thévenot, Laurent (1984), *Rules and implements: investment in Forms*, *Social Science Information*, 23, 1-45.
- Thévenot, Laurent (2001), *Organized Complexity. Conventions of Coordination and the Composition of Economic Arrangements*, *European Journal of Social Theory*, 4, 405-25.
- Thévenot, Laurent (2002), *Conventions of Co-Ordination and the Framing of Uncertainty*, in Edward Fullbrook (ed.), *Intersubjectivity in Economics*, London: Routledge, 181-97.
- Thornton, Patricia H., and William Ocasio (2008), *Institutional Logics*, in Royston Greenwood (ed.), *The SAGE handbook of organizational institutionalism*, Los Angeles, Calif.: Sage Publ., 99-129.
- Townley, Barbara (2002), *The Role of Competing Rationalities in Institutional Change*, *Academy of Management Journal*, 45, 163-79.
- van der Steen, Martijn (2009), *Uncovering inertia. Ambiguity between formal rules and routines of interaction*, in Markus C. Becker (ed.), *Organizational routines. Advancing empirical research*, Cheltenham: Elgar, 159-82.
- Wagner, Peter (1994), *Dispute, Uncertainty and Institutions in Recent French Debates*, *The Journal of Political Philosophy*, 2, 270-89.
- Wagner, Peter (1999), *After Justification. Repertoires of Evaluation and the Sociology of Modernity*, *European Journal of Social Theory*, 2, 341-57.
- Weber, Daniel (2000), *Culture or commerce? Symbolic boundaries in French and American book publishing*, in Michèle Lamont and Laurent Thévenot (ed.), *Rethinking comparative cultural sociology. Repertoires of evaluation in France and the United States*, Cambridge: Cambridge Univ. Press., 127-47.
- Weber, Max (2007), *Economy and society. An outline of interpretive sociology*, Berkeley: Univ. of California Press.

- Westenholz, Ann (2010), Modes of coordinating tensional practices within compositions of several worlds. Paper presented at the Workshop Institutions Justified, 01.-03. December 2010, Vienna.
- Wilkinson, John (1997), A new paradigm for economic analysis?, *Economy and Society*, 26, 305-39.
- Winter, Sidney G., and Gabriel Szulanski (2001), Replication as Strategy, *Organization Science*, 12, 730-43.
- Zilber, Tammar B. (2002), Institutionalization as an Interplay between Actions, Meanings, and Actors. The Case of a Rape Crisis Center in Israel, *Academy of Management Journal*, 45, 234-54.

Figures:

Figure 1: Main elements of the Economy of Conventions

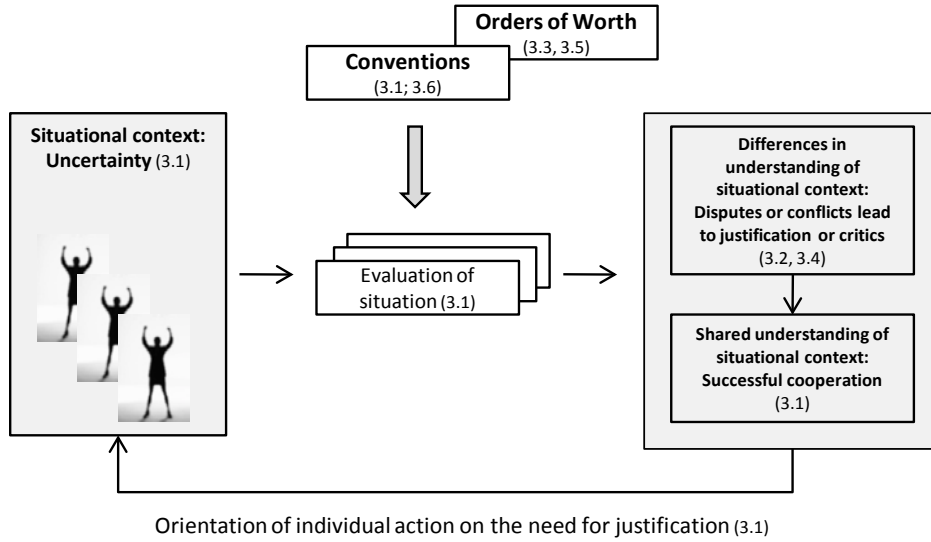


Figure 2: Conventionalist perspective on organizational routines

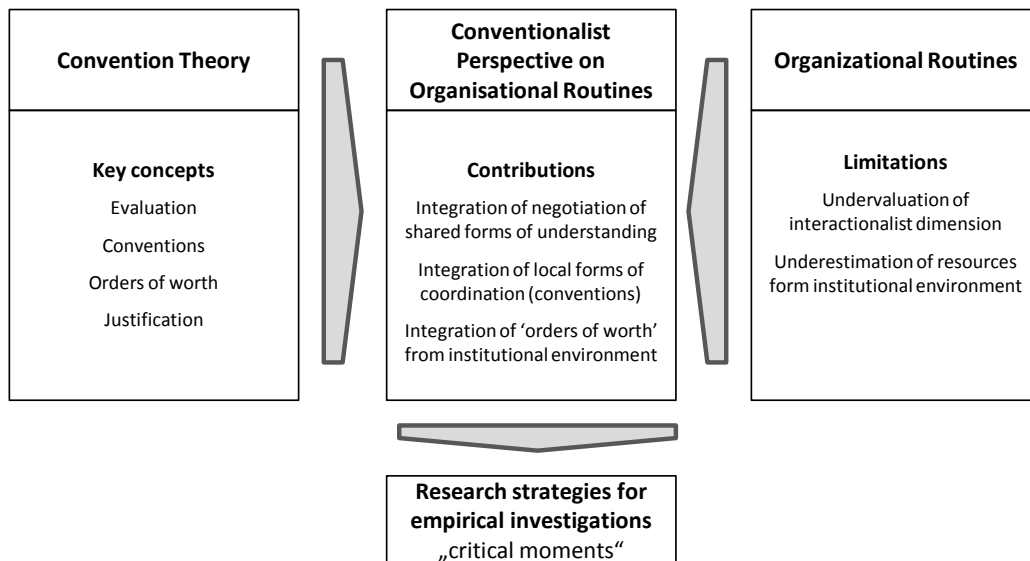


Table 1: Contributions of the conventionalist perspective on routines

Relevant discussions in organizational routines	Main assumptions of the practice perspective on organizational routines	Contributions of the conventionalist perspective on routines
Agency	<ul style="list-style-type: none"> • Actors have freedom on how to perform routines • Actors can adapt routines to new situational requirements or can follow their interests and motives • Recursive, projective, present (improvisational) component of agency 	<ul style="list-style-type: none"> • Focus on how actors draw on conventions • Justification of actors and actions • Recursive aspect of conventions through ex post justifications and ex ante orientation of potential justifications • Focus on how actors negotiate shared understandings
Change and stability	Endogenous change through actors performances	Conventions influence performances and are a source of change and stability
Objects	Objects (artifacts) influence routine performance	Actors draw on objects when they negotiate routine performances
Main anchor for empirical research	Behavioral patterns	Critical situations
Key references	Feldman (2000); Feldman and Pentland (2003); Howard-Grenville (2005)	Boltanski and Thévenot (2006); Gomez and Jones (2000)