

The institutional environment of global project organizations

W. RICHARD SCOTT*

Sociology, Stanford University, Building 120, Stanford, CA 94305, USA

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Among the many complexities global construction projects (GCPs) confront, we focus on the challenge of spanning diverse types of firms, countries, and cultures. To augment previous theoretical approaches devised to examine GCPs—in particular, contingency- and resource-based perspectives, we pursue an institutions-based approach. Institutions are conceptualized as comprising of three independent, but interdependent elements: *regulative* (rule-setting and sanctioning activities), *normative* (prescriptive, evaluative and obligatory activities) and *cultural-cognitive* (shared conceptions of social reality). These analytic elements are usually combined in empirically existing institutional forms, but within these forms, the elements exert independent effects and, sometimes, work at cross-purposes. In the analysis of GCPs, we employ the concept of *organization field* to illuminate the ways in which institutional elements operate at various levels of analysis, including that of the transnational field of GCPs and the local field surrounding a specific GCP. The challenges posed by the need to align the requirements of these two fields are described.

Keywords: Institutions, global projects, norms, cultural values, organization field.

Global infrastructure construction projects are extraordinarily complex organizations that operate within exceedingly complex institutional environments. This paper endeavours to unpack this complexity at both the level of the project organization and its institutional environment. It offers a primer to guide scholars seeking to describe and analyse the behaviour of these systems. It proposes some concepts and distinctions which are often overlooked or understudied by many scholars in this area and points to neglected issues and areas of research.

Global projects

My colleagues and I in the Collaboratory for Research on Global Projects have developed the following definition of global projects:

A global project is defined as a temporary endeavour where multiple actors seek to optimize outcomes by combining resources from multiple sites, organizations, cultures, and geographies through a combination of contractual, hierarchical, and network-based modes of organization. (Orr *et al.*, 2011, p. 17)

We point out that our definition attempts to identify the key challenges facing global projects: in particular,

- their distinctive structural network form, combining as they do traditional hierarchies, within participating firms; markets, in that much of the work is conducted through contracts with independent providers and supply chains; and more reciprocally interdependent relations that link diverse partners together into a common, temporary management unit;
- their geographical dispersion, as partnerships and contractual relations are created to link individuals and firms from multiple countries and regions and time zones;
- their spanning of organizational and cultural differences in which individuals and firms holding different beliefs, operating under diverse norms, exhibiting differing identities and pursuing disparate interests endeavour to create an effective collaborative enterprise.

This paper concentrates on the third challenge.

*E-mail: scottwr@stanford.edu

To date, two theoretical perspectives dominate scholarly studies of project-based organizations: contingency-based approaches and resource-based approaches (Scott, 2011b). We comment briefly on each and then suggest a third, institutions-based approach which we seek to advance.

Contingency-based approaches

The origin of this approach may be traced to the work of Simon (1997 [1945]) as advanced by March and Simon (1958). They proposed that organizations could be usefully viewed as information-processing systems which, to be effective, need to find ways to adapt their internal information-processing systems to meet the demands of the environments within which they were operating. March and Simon concentrated on ways in which the decisions of individuals could be simplified and/or supported by routines and search programmes, and later efforts by Thompson (2003 [1967]), Lawrence and Lorsch (1967) and Galbraith (1973, 1977) extended the work to consider the contribution of structural features of organizations: the differentiation of departments and offices, allowing specialized attention to selected aspects of the problems confronted; the creation of more flexible units to interpret and sort demands channelled to more protected and highly formalized units; and the creation of vertical and horizontal integrating units to coordinate and oversee responses. Complexity of decision-guiding and structural systems were viewed as responses to—as ‘contingent’ on—the complexity of the problems presented in the environments in which they operated. Of course, organizations vary in their ability to craft structures and processes that adequately adapt to the demands of the environments in which they work.

Scholars confronting the complex world of global projects described the innovative responses of these organizations to the challenges posed. For example, Stinchcombe (1985), studying companies involved in oil production in the North Sea, described the emergence of ‘hierarchical contracts’—the ways in which standard contracts were extended to incorporate many elements of hierarchies, including dispute resolution, non-market pricing, and the adjustments of incentives and controls to deal with changing conditions. And Miller and Lessard (2000) detail the multiple risks and uncertainties—technical, market, and social/institutional—that large engineering projects confront and must overcome to be successful. However, their framing of social/institutional challenges was, from our perspective, relatively narrow, attending primarily to the political and regulatory risks confronted. The lion’s share of attention by contingency-based scholars

is accorded to technical, construction, operational, market, financial, regulatory and political risks.

Resource-based approaches

While contingency approaches concentrate on organization–environment compatibilities, resource-based approaches stress the internal attributes and *capabilities* of organizations. In an approach pioneered by Penrose (1959), this perspective emphasizes the unique capacities—combinations of knowledge, know-how, and skills—possessed by individual firms. Because many of these capabilities are tacit—firms often do not know what they know (Polanyi, 1967)—they are hard to capture in formalized rules and training manuals and difficult for others to imitate, thus providing a distinctive competitive advantage to firms possessing them (Hamel and Prahalad, 1994). For firms operating in fast-paced industries, Teece and Pasano (1994) and Teece (2009) extend this approach by stressing the importance of *dynamic* capability—the ability to ‘continuously create, extend, upgrade, protect, and keep relevant the enterprises unique asset base’ (Teece, 2009, p. 4). Similarly, Davies and Hobday (2005) embrace this neo-contingency perspective, as they examine the distinctive types of dynamic capabilities exhibited by successful lead firms in large engineering projects.

An institutions-based approach

The contingency- and resource-based approaches provide important insights for both researchers and participants in large engineering infrastructure construction projects, and as we have noted, scholars working within these traditions give some attention to special challenges posed by work conducted within pluralistic institutional environments. However, we believe the concepts employed in contingency- and resource-based studies to describe and analyse institutional environments are relatively impoverished, directing primary attention to governmental and regulatory systems, and neglecting the equally important roles played by normative and cultural–cognitive systems, as defined in the next section. By failing to consider the full range of institutional elements at work—within individuals and firms as well as in the wider environment—both scholars and participants overlook vital forces affecting the success of the projects and also fail to consider managerial techniques that could be of value (see Henisz and Levitt, 2012).

It is reassuring to observe that others have begun to make similar arguments. Thus, Peng (2002) and Peng *et al.* (2008, 2009) have called for the development of an ‘an institutions-based view’ of business strategy to supplement existing ‘industry-based competition’ and ‘firm-specific resources and capabilities’. We agree but

make the broader claim that a more institutions-rich approach can inform not only the strategic decisions of business managers but those of a ‘wider range of actors’—including host governments, oversight bodies, consumers of services, community members and interest groups. In short, all those who have a stake in the effective and sustainable operation of civil infrastructures can benefit from an institutionally informed account of the forces at work (Scott, 2011b).

Institutions

Institutional elements: the pillars of institutions

Institutional theory and analysis address the processes by which social structures, including both normative and behavioural systems, are established, become stable and undergo changes over time. It addresses the fundamental issues of social order and social change and the construction of shared meaning systems (Scott, 2008a). My survey of the extensive institutional literature—scholarship on these issues commenced with the onset of the social sciences in the mid-nineteenth century¹—suggests that theories have posited three ‘elements’ or ingredients as contributing to institutional construction, maintenance and change. They are regulative, normative and cultural–cognitive elements (Scott, 2008b, pp. 50–62):

- *regulative elements* refer to rule-setting, monitoring and sanctioning activities designed to establish and reinforce arenas of control. The focus is on purposeful, more formalized behaviour and the instrumental effect of creating a system of rules backed by sanctions to reward conformity and to penalize non-compliance. Regulative elements are more likely to be employed in impersonal settings, such as markets and political arenas, where self-interest guides choice but is constrained by law-like frameworks. Hence, these elements are particularly likely to be emphasized by institutional economists and political scientists embracing a rational choice approach.
- *normative elements* introduce a ‘prescriptive, evaluative, and obligatory dimension into social life’ (Scott, 2008b, p. 54). Those stressing normative aspects of institutions point to the importance of internalized controls and the constraining power of a desire to behave ‘appropriately’ in any given situation, depending on one’s role obligations (March and Olsen, 1989). Sanctions for non-compliance are present, but they are relatively diffuse and depend heavily on the activation of internalized identities. Normative elements predominate in more value-laden realms, including kinship

systems, religious communities, occupational and professional groups, and status and prestige orders. This aspect of institutions is favoured by many sociologists as well as by the ‘historical school’ of political scientists.

- *cultural–cognitive elements* stress the centrality of shared conceptions that constitute the nature of social reality and establish the grammar and syntax by which meaning is made. In contrast to the relatively vague use of the concept ‘culture’ in much of the international business literature, the pillars framework focuses attention on the symbolic aspects of culture: the role they play in providing shared vocabulary generating and supporting common interpretations of the world (Geertz, 1973). The hyphenated term is used to emphasize that cultural elements—shared beliefs within a community—are linked to cognitive schemas and frames—patterns of thinking, feeling and acting: in Hofstede’s (1991, p. 4) terms, ‘the software of the mind’. Cultural–cognitive elements are the stock in trade of cultural anthropologists and cognitive psychologists and, more recently, of ‘neo-institutional’ organization studies scholars. These elements form the foundation of what are termed ‘epistemic communities’—religious, philosophical, intellectual and ideological systems (Knorr-Certina, 1999). Cultural–cognitive elements are the most basic of the three because without cultural schemas and frameworks in place—for example, typifications, categories, distinctions among types of things, activities and actors—norms and rules cannot be constructed.

This ‘three-pillars’ framework for institutional analysis is subject to misunderstanding or distortion unless accompanied by three additional considerations:

- (1) The institutional perspective highlights the role of *symbolic* processes—rules, norms and beliefs—but these elements only have impact in the social world to the extent that they enter into social behaviour. In short, to be of interest, institutions must be ‘inhabited’ by social actors (Hallett and Ventresca, 2006), institutions shaping the interpretations, actions and relations of actors within a given field. As Fligstein (2001a, p. 108) explains, ‘Institutionalization is the process by which rules move from abstractions to being constitutive of repeated patterns of interaction in fields’.
- (2) Regulative, normative and cultural–cognitive elements are *analytic* constructs, intended to identify underlying ingredients in institutional systems. They seldom occur in isolation in

empirical situations. Rather, institutions comprised multiple elements which, when aligned, produce resilient social systems. The pillars are analytically distinguished to emphasize that they work in different ways—through varying mechanisms, evoking differing emotions and triggering differing motives for compliance. And, when misaligned, they offer important triggers and levers for social change.

- (3) *Legitimacy* is a fundamental requisite of any stable social order. All social actors require more than material resources and technical information if they are to survive and thrive in their environments. They also need social acceptability and credibility (Berger and Luckmann, 1967; Meyer and Rowan, 1977). Each of the three elements is associated with legitimacy, but in distinctive ways. A regulative perspective views systems as legitimate to the extent they operate in accordance with relevant legal or quasi-legal requirements. Normative conceptions stress a deeper, moral basis for assessing legitimacy—for example, ‘justice’ as opposed to ‘legality’—and a cultural–cognitive view points to the legitimacy associated with the orthodox, the ‘taken-for-granted’, the comprehensible and recognizable features of social life that shared beliefs and assumptions make possible (Scott, 2008b, chapters 3 and 4).

Before attempting to show the applicability of these ideas of global projects, I introduce a second conceptual framework that we have found useful in empirical applications of institutional frameworks.

Organization fields

Given the extraordinary complexity of the institutional make-up of our contemporary world, it is fortunate that none of us has to confront all of its manifestations, combinations and permutations. Rather, our contemporary, modern and modernizing world is made up of many diverse ‘local social orders’: somewhat circumscribed and specialized arenas bounded by shared understandings and relational interdependence (Fligstein, 2001b). We term these local orders, *organization fields*, a concept which encompasses, variously, arenas such as producer markets, as studied by economists, policy domains, of interest to political scientists, as well as fields of contention, bargaining and conflict that develop around an specific issue (Wooten and Hoffman, 2008). While institutional processes operate at multiple levels, from interpersonal relations to the structuring of interactions among societies, we believe

that the organization field level is particularly useful for understanding global projects.

The concept of field focuses attention on a circumscribed arena of social life but within that arena attends to

- symbolic as well as relational systems
- horizontal (exchange or competitive) as well as vertical (hierarchical) relations
- distant as well as localized influences
- dissimilar as well as similar organization forms
- emergent as well as established organizations
- the presence of conflict as well as the existence of consensus
- effects of the wider environment on the field.

Organization field components

In order to apply some of our institutional ideas to the analysis of the organization fields within which global projects operate, we have found it useful to identify three field components, each composed of a combination of institutional elements (Scott *et al.*, 2000, pp. 170–75).

- (1) *Institutional logics* refer to the belief systems and associated practices that operate within a field.

As Friedland and Alford (1991, p. 248) propose, institutional logics provide the ‘organizing principles’ that supply practice guidelines for field participants. The logics are made up of a combination of cultural–cognitive and normative elements, the former identifying the values or goals to be pursued and the rationale for them, and the latter specifying appropriate means for pursuing these objectives. If we consider the various types of participants (actors) within a global project, it is clear that they commonly arrive armed with a variety of differing institutional logics—for example, architectural designers concerned with integrity of design and aesthetic appearance, engineers concerned about feasibility of construction and efficiency, bankers with financial viability and earning potential, lawyers with assigning and minimizing risk among the various parties, and non-governmental organizations (NGOs) concerned with issues of environmental safeguards and the protection of the human rights of affected parties.

But it is also true that, within more settled fields, institutional logics may be forged to reconcile and align at the field level the interests of major participating parties. In a closely related formulation, Beamish and Biggart (this volume) suggest that broadly shared logics, which they term *social heuristics*, can emerge that offer ‘an interpretative frame and decision making

model that embodies collectively held understandings that provide a socially defensible foundation for actors' decisions'. Specifically, they suggest that a set of shared heuristics within the commercial construction industry in the USA provides a common conceptual frame to ease transactions and facilitate cooperation among the various parties. However, on the downside, these same understandings discourage the adoption of novel technologies (including 'green' modalities) and innovative practices within the industry.

- (1) *Actors* includes both individual actors (persons) and collective actors (organizations), as they carry out socially defined functions and roles within the field.

For example, within global project fields, important individual roles include those of engineers and architects, lawyers and public officials. Organizational forms include development companies, engineering firms, multi-lateral agencies providing financial support and oversight, public agencies and NGOs.

In general terms, actors can be differentiated by three classes of attributes: types of capital, institutional logics and repertoires of activities.

- (a) *Capital* includes the various types of socially valued resources, including natural (e.g. ownership or rights to land or specific physical resources), financial, social (e.g. relational networks), intellectual (e.g. knowledge, expertise, technical skills) and cultural capital (e.g. legitimacy, prestige, elite status, 'taste'; Bourdieu, 1986; Putnam, 1993; Hajek *et al.*, 2011).
- (b) *Institutional logics* were defined above. As suggested by our previous discussion, these logics operate more generally at a field-wide level, as general assumptions and beliefs shared broadly within a field. But, specific types of actors—members of occupational groups, types of organizations—serve as *carriers* of specific collections of logics (Scott, 2003). Lawyers, for example, regardless of which party they are representing, are likely to share, by virtue of their training, socialization, and participation in an occupational culture, fundamental beliefs and assumptions, allowing them to 'think like a lawyer'.
- (c) *Repertoires of activities* refer to the tendency for each class of actor—whether individual or collective—to engage in a limited range of actions (Tilly, 1978; Clemens, 1997). Each is characterized by a delimited set of capabilities or routines. For example, public agencies follow and interpret rules, host hearings, design contracts, determining

bidding and selection systems, and manage contracts.

- (d) *Governance structures* refer to 'all those arrangements by which field-level power and authority are exercised, involving, variously, formal and informal systems, public and private auspices, regulative and normative mechanisms' (Scott *et al.*, 2000, pp. 172–73). Of course, some actors are better able to shape the regimes that govern a field, so that some few will emerge to control the arena of action. These individuals and organizations work to craft rules and logics so as to preserve the stability of the field as well as to retain their own dominant role within it (Fligstein, 2001a).

Global project fields

More so than most types of organizations, those in global construction operate in multiple interrelated fields. The delineation of field boundaries is always somewhat arbitrary, but heuristic, being determined by the investigator's problem-focus and the need to include salient participants impacting the phenomena of interest. By way of illustration, I select two possible foci for field analysis of global projects: (1) the field of global infrastructure construction players, a very macro-focus, and (2) the field of the host community, a relatively microfocus. Other possibilities would be a focus on projects within a given society or within a given industrial sector.

The field of global infrastructure construction

Large infrastructure construction entails a complex assortment of firms, governmental and NGOs that increasingly operate at a transnational or global level. Moreover, although the landscape is continuously shifting, this arena is coming to be dominated by a relatively small set of major players who operate as project businesses—engaging in large-scale projects in multiple sectors on a recurring basis for their business purposes—and as business networks—as constellations of international firms that track and compete for the same business opportunities from country to country (Artto *et al.*, 1998, 2011; Orr *et al.*, 2011). The types of private sector organizational actors involved include developers, law firms, banks, suppliers, contractors and consultants. Participants within these organizations stem from similar educational and professional training institutions, compete for the same work, often move from one firm to a competitor, belong to the same professional associations and broadly share a similar mindset.

The growth of these private sector, commercial firms has been accompanied by related changes in the public and non-profit sectors, including both professional associations and NGOs, all of which participate in the creation of new governance systems for this field. These include nation-state enforced treaties, such as the legal systems of the European Union or the World Trade Organization, as well as a dense web of bilateral investment treaties that regulate inter-state transactions including development projects. In addition, we observe the rapid development of a powerful complex of multinational agencies, such as the World Bank and Asian Development Bank which, as a condition for their assistance, impose a complex array of conditions, procedures and reporting requirements on recipients, providing guidelines for as well as constraints on project participants.

In addition to these primarily regulative systems, we observe the rapid emergence of a wide range of organizations that espouse and attempt to promulgate and enforce a variety of normative and cultural-cognitive governance frameworks. Such organizations have long been active within countries, but in recent years we have witnessed an explosion of associations at the transnational and/or global level. Long regarded as a relatively anomic and adversarial arena, in recent decades, the transnational level has witnessed rapid institution building (Djelic and Quack, 2003; Djelic and Sahlin-Andersson, 2006). Thus, numerous influential international professional associations currently work to devise technical standards and ‘state-of-the-art’ models to govern the behaviour of their constituents (Brunsson and Jacobsson, 2000). Examples of organizations active in the construction arena include the International Accounting Standards, the International Association for Standardization and the International Federation of Consulting Engineers, all of whom attempt to develop and enforce standards for organizations and occupations working in this sector.

To accompany these professional associations, a wide range of international NGOs and social movement organizations (SMOs) have arisen during the latter decades of the twentieth century with a focus on human rights, on those who suffer from or are left behind in economic development, and on environmental protection—all issues that may impinge on infrastructure construction projects (Boli and Thomas, 1999; Khagram *et al.*, 2002; Smith and Johnson, 2002; McAdam, 2011). These organizations, like the professional associations, rely almost entirely on their capacity to craft normative arguments—for example, concerns about the exploitation of marginal groups, displaced people, the externalities associated with economic development—and to frame cultural-cognitive images—for example, the violation of wilderness,

equities in costs of benefits, due process, exploitation by ‘foreign’ companies or interests.

The primary contenting institutional logics are those associated with the major players: a ‘commercialization’ logic emphasizing efficient management of projects and return on investment for those holding financial interests, a ‘development’ logic stressing the value of capital improvements projects to support economic goals and improved services for resident populations, a ‘conservation’ logic focusing on concerns for impact on the environment, depletion of natural resources or damage to the social or cultural traditions, and a ‘human rights’ logic underscoring the importance of equity and procedural fairness (Hajek *et al.*, 2011). Understandably, the former two logics are associated primarily with the developers, construction companies and their contractors and consultants while the latter two are espoused by various international professional associations and NGOs.

This brief summary is meant to sketch out the outlines of this emerging field of global players in infrastructure construction. Detailed historical and comparative research is required to flesh out the details of the players and processes by which this emerging field is being crafted.²

The field surrounding a specific infrastructure project

Construction projects vary enormously in their scale and scope, in the size of their ‘footprint’—from the Three Gorges Dam in China—to a relatively modest sanitation facility in a rural area. Nevertheless, each project will be sited in a particular place and will be confronted by an existing organization field within a host community or area. This local field will include actors of many types that pre-date the arrival of the project, including

- *relevant governmental organizations*: that may include units at the local, state or national levels. The units will include those with planning or regulatory jurisdiction over the type of infrastructure involved, customs agencies whose approval is required to import components or materials, tax agencies, officials enforcing labour and environmental standards, and many others. Together these organizations will have crafted a somewhat distinctive regulatory regime;
- *individual and organizational residents*: the socio-demographic and relational characteristics of the populations—both individuals and organizations—residing in the area. These groups will have established particular normative and cultural-

cognitive frameworks—reflecting their understandings, routines and ways of doing business.

- *those currently employed in the affected sector*: will be especially sensitive to the arrival of a new set of facilities with accompanying actors. Union organizations and other types of relations among these individuals and groups are likely to be activated.
- *social movement organizations*: various types of SMOs operate in most contexts, although their characteristics and modes of operation vary greatly, being shaped by the nature of the wider political system in the locale (McAdam *et al.*, 1996).
- *potential beneficiaries*: those whose interests would be served or advanced were the project to be built.

The field in place at the time when a project is first proposed will be altered if and when the project moves forward through the ‘shaping’ phase of proposal design and planning (Miller and Lessard, 2000, chapter 4) on through to construction and operational phases. If the project is large and/or highly contentious, the organizational field may be reconfigured in substantial ways difficult to predict. New types of players will be introduced—some on a temporary and others on a long-term basis—new types of interests and players may be stimulated into existence either in support of or opposition to the project, and existing relations will be reshaped. New players likely to arrive or arise include the following:

- *Project companies*: Some specific company or combination of companies including developers, financial backers, contractors and consultants come together to form a temporary private consortia to carry out and manage the work. One or a few companies take the lead role, and other companies form parts of a larger consortium, accompanied by major contractors and a variety of local sub-contractors.
- *Project management unit*: In some but not all cases, the host government will establish its own entity—a project management unit (PMU)—to deal with the companies and to insure that the terms of the project contract are being met. In some situations, as Jooste and Scott (2011, 2012) have demonstrated, the PMU receives assistance from a varied array of other public and private organizations termed ‘public–private partnership (PPPs) enabling organizations’. Such organizations may include public and non-public regulators, transaction advisors, and PPP coordination agencies.
- *Those adversely affected by the project*: In many cases, opposition parties will arise in order to block or modify the project. These may be local, home-grown sources of opposition or they may be stimulated and/or supported by international SMOs.

Such international NGOs and SMOs increasingly monitor infrastructure construction projects around the world and may well ‘parachute in’ supportive assistance (Smith *et al.*, 1997; Khagram *et al.*, 2002; McAdam *et al.*, 2010; McAdam 2011).

For global project firms to understand and attempt to cope with this level of complexity at the local field level, they must cultivate skills in acquiring and interpreting local institutional knowledge (Javernick-Will, 2009). Not all project participants need to acquire the same types of knowledge—for example, developers, various types of contractors and engineering consultants need somewhat different kinds of information (Javernick-Will and Scott, 2011). And not all project participants require the same depth of knowledge and understanding. As research by Orr and Levitt (2011) demonstrates, the extent to which different kinds of participants need to become ‘embedded’ in the local context varies greatly. Developers and general contractors are likely to be much more highly embedded than are systems contractors or projects consultants and so will be in need of much larger amounts of detailed institutional knowledge.

Such knowledge is not easily acquired and is not readily available to project participants prior to their arrival on the scene (Orr and Levitt, 2011). To be effective, project leaders must have a realistic assessment of their understanding of local institutions, cultivate an open mindset, be sensitive to cues received from locals, engage in sense-making activities and cultivate the assistance of knowledgeable insiders (Orr and Scott, 2009).

Perhaps more than any other single feature, it is the dual nature of these projects—the fact that they simultaneously operate in both a global and a local institutional environment that sets them apart from most other types of organizations. On the one hand, developers, bankers and construction companies function in a highly competitive, fast-paced, cosmopolitan world of international business, responding to global standards, guided by neo-liberal ideologies, surrounded and supported by collections of sophisticated professional players. On the other hand, the projects must be located, built and operated in many, culturally diverse local settings, each governed by distinctive combinations of rules, norms and beliefs. For the project to be successful, these two institutional complexes must be juxtaposed and, to the extent possible, reconciled. For this task, institutional expertise is as important, if not more important, than technical financial or engineering knowledge.

We know from a rather dismal background of many failed global projects (Miller and Lessard, 2000; Flyvbjerg *et al.*, 2003) the multiple costs—financial,

environmental, social, human—entailed. We are only in the early stages of needed research efforts to better understand how companies negotiate these conflicting demands—identifying company attributes, strategies and tactics that are more and less effective in bringing a project to a successful conclusion.

Notes

1. Attention to institutions by early theorists was inevitable given that the rise of the social sciences occurred in response to a mounting concern with the breakdown of traditional societal systems confronting the onslaught of the industrial revolution.
2. Exemplars for this type of research are provided by Dezalay and Garth (1996), who examined the construction of the field of international commercial arbitration services, and by a collection of authors (Djelic and Sahlin-Andersson, 2006) who examined, variously, the changing role of law firms in the regulation of international competition, the governance network of transnational central bankers and the development of international standards for accounting.

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