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## **Bringing morality back in:**

### **Institutional theory and MacIntyre**

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#### **Abstract**

This paper sets out to explore the extent to which the moral dimension is an essential component in organizational life. From a theoretical viewpoint, it argues that institutional theory lacks a positive account of the role of morality at the organizational level. We propose that this can be addressed by integrating the work of the moral philosopher Alasdair MacIntyre with institutional theory's notions of logics, contradictions and legitimacy. Empirically, we look to a group of Christian churches in the north east of England to provide insights into practitioners' concerns with the *telos* of their organizations and the core practices of their faith, and hence of an essential concern for the morality of organizational life. We conclude that any understanding of practice-based organizations which ignores or underplays the moral dimension will give, at best, a diminished account of organizational life, and hence that institutional theory needs to rethink its neglect of morality.

#### **Keywords**

Ethics, Institutional Theory, Organization Theory

#### **Introduction**

As Munir (2015, p. 90) asserts, new institutional theory's hegemony in organization theory has become established over the past decade and more. There is no doubt that through its exploration of logics, legitimacy, entrepreneurship and, more recently, institutional work, institutional theory has covered a large amount of ground, from the actions of individual agents through to a deeper understanding of organizational fields and institutional orders, and their interrelationships. And yet, perhaps blinded by its own success, institutional theory may have forgotten the problems which it originally set out to address. Concerns have emerged from within and without (Suddaby, 2010; and more recently in a dialog section of this journal Munir, 2015; Hirsch & Lounsbury, 2015; Willmott, 2015). While general disquiet has been expressed over institutional theory's inability to be critical,

and its lack of attention to issues of power (Munir, 2015; Willmott, 2015), more specific concerns have surfaced over its failure to engage both with “broader moral issues related to inequality and stratification” (Hirsch & Lounsbury, 2015, p. 97) and moral philosophy (Munir, 2015). As Munir contends: “the tendency of institutional theorists to overlook issues of moral philosophy or ethics has an unfortunate negative externality for the theoretical basis of institutional theory” (2015, p. 91). It seems that new institutional theory has adopted an assumption of organizations as amoral entities, despite Selznick’s (1957) original framing and his more recent attempt (1996) to re-infuse value into institutional theory. It is new institutional theory’s inadequate attention to moral considerations which we seek to redress here.

We advance Munir’s (2015) work in that the purpose of this paper is to explore the extent to which the moral dimension is an essential component in organizational life. While our focus is not on redressing the neglect of power directly, our interest in morality and institutional theory tackles this indirectly. We integrate institutional theory with MacIntyre’s (1994; 2007) conceptual framework of virtues, goods, practices and institutions to advance ‘old’ institutionalism’s concerns for “humane cooperative systems” (Selznick, 1996, p. 276), and thereby seek to reconcile ‘old’ and ‘new’ institutionalisms (Thornton, Ocasio & Lounsbury, 2012, p. 134). The purpose in other words, and with reference to Friedland & Alford (1991), is to bring morality back in.

We set out to do this in two key areas of institutional theory, namely institutional logics and legitimacy. There is considerable work which identifies the co-existence of competing institutional logics and seeks to explain how such competing logics are (or are not) resolved (e.g., Bjerregaard & Jonasson, 2014; Chung & Luo, 2008; Greenwood, Diaz & Lorente, 2010; Reay & Hinings, 2009; Seo & Creed, 2002). Here we theorize that these tensions may be tied to virtuous activity and a concern with the *telos* of organizations. Through MacIntyre’s (2007) work on practices, we offer a language which further explains the complexities of competing institutional logics, specifically how they relate to morality.

Moreover, we acknowledge that institutional theory does indeed engage with ethics in relation to the concept of institutional legitimacy particularly in its moral dimension (see, for example, Scott, 2001; Tost, 2011). However, this engagement is rather narrow in scope in that generally it is viewed from a ‘satisficing’ perspective (Deepphouse & Suchman, 2008) where “the absence of negative ‘problems’ is more important than the presence of positive achievements” (p. 60). By contrast, a body of work based on MacIntyre’s conceptual framework of virtues, goods, practices and institutions (Beadle & Moore, 2011; Moore, 2012a; Moore & Beadle, 2006, for example) offers a more positive perspective and encourages a focus on morality as a fundamental aspect of organizations. We contend, and seek to demonstrate, that MacIntyre’s work provides a more meaningful way of ‘bringing morality back in.’

Three research objectives guide our study. Specifically, we set out to:

1. Extend institutional theory’s understandings of institutional logics, contradictions and legitimacy by integrating these with the work of the moral philosopher Alasdair MacIntyre;
2. Empirically explore a moral account of organizational life through an integrated lens of institutional theory and MacIntyre in Christian churches in the north east of England;

3. Establish the extent to which the moral dimension is an essential component in organizational life in general and the implications of this for institutional theory in particular.

In proposing this moral account of organizational life, our contributions are both theoretical and empirical. First, through MacIntyre's work, we advance institutional theory by reintegrating ethics (Nielsen & Massa, 2013) into understandings of logics, contradictions and legitimacy. In doing this, we extend Friedland's (2012a) discussion of the lack of values in institutional theory, as well as Klein's (2015) work on values and institutional logics. Second, we further develop a MacIntyrean theory of organizations, extending an existing line of enquiry (for example, Kavanagh, 2013; Moore, 2002; 2008; Mangham, 1995). It is of note that MacIntyre shares Marxist leanings with the origins of institutional theory (Friedland & Alford, 1991; Hirsch & Lounsbury, 2015, p. 97), but we argue that his work presents a more nuanced and fuller account of the possibilities surrounding the moral nature of organizations, and that this presents a significant opportunity to better understand the possibilities of the moral nature of organizations. Third, in empirical terms, our contribution lies in exploring the moral dimension in organizational life *in practice* specifically in the case of Christian churches but also, by extension, with broader application to many (though not necessarily all) organizational types.

In what follows we first introduce MacIntyre's conceptual framework and then present an overview of relevant elements of institutional theory – logics, contradictions and legitimacy. We substantiate the claim that institutional theory lacks a positive account of the role of morality at the organizational level and demonstrate how MacIntyre's work informs and extends institutional theory, in effect expanding on work already begun elsewhere notably in Beadle & Moore (2011). We then introduce and present an empirical study of Christian denominations in the north east of England, explaining our choice of this as a site for empirical research. The findings offer insights into both institutional and MacIntyrean theory, extending both in novel directions. But the main finding, consistent throughout the empirical evidence, is of practitioners' concern with the *telos* (overall purpose) of their organizations and the core practices of their faith, and hence of the moral nature of organizational life. By extension, it is concluded that, for many organizational types, ignoring or underplaying the moral dimension will give, at best, a diminished account of organizational life, and hence that institutional theory needs to rethink its neglect of morality.

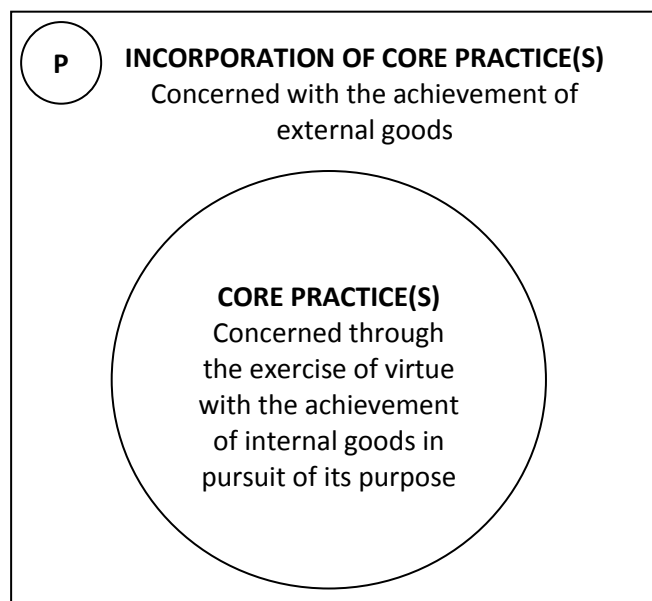
### **MacIntyre's Conceptual Framework**

Alasdair MacIntyre's antipathy towards the capitalist system and to its institutions and organizations is well known (see MacIntyre, 2007, p. 1-108 for an extended discussion and, more recently, MacIntyre, 2015). The essence of his argument is that the emotivism of modernity leads to a localized morality in which social relationships are manipulated to suit the actor's own preferences. Emotivism "is the doctrine that all evaluative judgments and more specifically all moral judgments are *nothing but* expressions of preference, expressions of attitude or feeling, insofar as they are moral or evaluative in character" (MacIntyre, 2007, p. 11-12, emphasis in original). Hence emotivism "entails the obliteration of any genuine distinction between manipulative and non-manipulative social relations" (ibid., p. 23).

We find such manipulative relations embodied in particular “characters” of which the manager is perhaps the prime example (MacIntyre, 2007, p. 74). But managers are, of course, situated within bureaucratic organizations and, as MacIntyre had earlier noted (1979; 1999), such social structures threaten moral agency and lead to compartmentalized lives. Hence, while there is at least a hint of sympathy for the manager ‘locked inside’ such organizations, MacIntyre singles out the modern corporation for particular criticism: "every society of course has invited individuals to inhabit roles with different requirements. But difference has not entailed the kind of separation, the kind of partitioning which is peculiar to corporate modernity" (MacIntyre, 1979, p. 132).

Not all agree with MacIntyre’s strong negative stance on corporations and managers, arguing, in effect, that MacIntyre’s assessment is too pessimistic and that there is critical value to be gained from the application of his work to organizations in general and even to capitalist businesses. There has thus developed a body of work which has sought to apply MacIntyre’s conceptual framework to organizations of many types, and to management (Moore, 2008; Beabout, 2012). Such work is extensive making both conceptual and empirical contributions and covering diverse practices and organizational types, for example health care, teaching, banking, oil, investment advising, circus and churches (Beadle 2013; Beadle & Moore, 2006, 2011; Crockett, 2005; Fernando & Moore, 2015; Garcia-Ruiz & Rodriguez-Lluesma, 2014; Grandy & Śliwa, 2015; MacIntyre & Dunne, 2002; Mannion, 2007; Moore, 2002, 2005a, 2005b, 2008, 2011, 2012a, 2012b; Moore & Beadle 2006; Murphy, Kallenberg & Nation, 1997; van de Ven, 2011; von Krogh, Haefliger, Spaeth & Wallin, 2012; Wilcox, 2012; Wyma, 2015).

MacIntyre’s conceptual framework draws attention to the moral nature of organizations in that purpose, goods and virtues are integral to organizational life. We set out MacIntyre’s conceptual framework in diagrammatic form in Figure 1 and provide definitions in tabular form in Table 1.



**Figure 1. An organization as an incorporated practice(s): Core practice(s) and Incorporation as the secondary practice of the making and sustaining of the corporate form**

<b>MacIntyrean concept and definition</b>
<i>Organizational purpose</i>
“The extent to which the internal goods of the practice(s) at the core of the organization contribute to the overriding good of the community.” (Moore, 2012a, p. 366)
<i>Practice</i>
“Any coherent and complex form of socially established cooperative human activity through which goods internal to that form of activity are realized in the course of trying to achieve those standards of excellence which are appropriate to, and partially definitive of, that form of activity, with the result that human powers to achieve excellence, and human conceptions of the ends and goods involved, are systematically extended.” (MacIntyre, 2007, p. 187)
<i>Internal goods</i>
The excellence of the products or services and the perfection of the practitioners in the process. <sup>1</sup> (MacIntyre, 1994, p. 284; 2007, p. 189-190).
<i>Institutions (the ‘incorporated form’)</i>
"Institutions are characteristically and necessarily concerned with what I have called external goods. They are involved in acquiring money and other material goods; they are structured in terms of power and status, and they distribute money, power and status as rewards. Nor could they do otherwise if they are to sustain not only themselves, but also the practices of which they are the bearers." (MacIntyre, 2007, p. 194)
<i>External goods</i>
Money, power, status, success. “It is characteristic of what I have called external goods that when achieved they are always some individual’s property and possession [and are therefore] characteristically objects of competition in which there must be losers as well as winners.” (MacIntyre, 2007, p. 190)

**Table 1. Key MacIntyrean concepts**

The starting point of this framework is that organizations may be re-described as practice-institution combinations. In practices, commonly referred to as *social* practices (von Krogh et al., 2012, for example), practitioners exercise virtues in pursuit of internal goods, and it is these – the excellence of the product or service and the ‘perfection’ of the practitioners in the process – which have the potential to contribute to the good of the community. In other words, the purpose of the organization is defined in relation to these internal goods and the extent to which they contribute to the overriding good of the community. The internal goods of the practice, and their contribution to the common good, thereby give definition to the moral dimension of organizational life.

But practices need institutions:

“For no practices can survive for any length of time unsustained by institutions. Indeed so intimate is the relationship of practices to institutions – and consequently of the goods external to the goods internal to the practices in question – that institutions and practices characteristically form a single causal order.” (MacIntyre, 2007, p. 194)

The institutional focus is therefore, and necessarily, on the achievement of external goods which are required for the sustenance of both the practice and the institution itself. But, despite the “single causal order” of the practice-institution combination, this points to a fundamental tension which is central to MacIntyre’s sociology of organizations, the tension between the practice and the institution and hence between the pursuit of internal versus external goods. We will return to this below, but it is worth emphasising here that there is an ordering<sup>2</sup> implicit in the conceptual framework such that practices should be prioritized over the institution since internal goods (which should be pursued for their own sake) take precedence over external goods (which should be pursued only for the sake of some further ends, in particular the flourishing of the same or other practices). Thus, the virtuous organization would place a limit on the pursuit of external goods so as not to distort the practice by, for example, prioritising organizational profit, reputation or even survival for their own sakes (a criticism directed at the Catholic Church in relation to the covering up of sexual abuse – see Gutierrez, Howard-Grenville & Scully, 2010).

There are a number of further points which are worth highlighting. First, while MacIntyre’s notion of “practice” is central to his understanding of where virtue operates, his definition of the term differs from its common usage – a point we will revisit below in relation to institutional theory’s usage. Second, it will be noted that MacIntyre’s usage of the term ‘institution’ also differs from its conventional usage in institutional theory,<sup>3</sup> and so, for the purposes of this paper and in order to avoid confusion, we will henceforth refer to this as “incorporation” and thus to the “incorporated form” as being the “social bearer” (MacIntyre, 2007, p. 195) of the practice and to organizations as, on MacIntyre’s account, “incorporated practices.”<sup>4</sup>

Third, one other element of the framework, and one of particular relevance to management (Moore, 2008), is the secondary practice of the making and sustaining of the incorporated form – shown in Figure 1 by the smaller circle with the ‘P’ inside. This offers those who have ‘out-grown’ the core practice, and whose focus is on the incorporated form, the opportunity also to exercise virtues and gain internal goods from this rather different, and secondary, practice.

Fourth, the question arises as to whether everything and anything can be considered a practice and so made subject to the implications of the framework as a whole. MacIntyre limits practices to activities which are sufficiently complex (“Bricklaying is not a practice; architecture is. Planting turnips is not a practice; farming is,” 2007, p. 187). Others highlight the importance of promoting the public (common) good as inherent to practices: “anything that does not promote the public good ... may not be properly regarded as social practice” (von Krogh et al., 2012, p. 666). It is this view which we suggest allows for the transferability of MacIntyre’s work particularly to for-profit organizations. We will revisit this in the conclusion when considering the generalizability of our empirical findings to other organizational types.

In summary, drawing from MacIntyre’s conceptual framework, so long as the organization has a good purpose,<sup>5</sup> organizations become places where virtues can be both exercised and further developed, and where internal goods are obtained leading to the good of the community as well as the flourishing of practitioners. Even for actors involved primarily in the incorporated form, the secondary practice of making and sustaining this corporate form affords similar opportunities. Thus, on MacIntyre’s account, morality – defined in terms of purpose, goods and virtues – is integral to organizational life; he helps us to see that, within the limit described above, there is no such thing as

an amoral organization, indeed that organizations are “*essentially* moral spaces” (Beadle & Moore, 2011, p. 103, emphasis in original). Given this, we argue that institutional theory needs to examine further whether morality is indeed an essential component within certain types of organizations and the implications of this in particular to our understandings of institutional logics, contradictions and legitimacy. It is to this that we now turn.

## **Institutional theory: logics, contradictions and legitimacy**

### **Institutional logics and contradictions**

Studies of institutional logics have directed attention to how various societal spheres or institutional orders inform assumptions, beliefs, values and rules which give meaning to and guide actions of social actors in institutions and institutional fields (Klein, 2015; Thornton and Ocasio, 2008). The main institutional orders are usually taken to be the market, the corporation (in the sense of a governance system), professions, family, community, religion and the state (see Thornton et al., 2012, p. 66-72; Besharov & Smith, 2014, p. 366). Institutional logics are developed at a variety of levels – organizations, markets, industries, inter-organizational networks and organizational fields (Thornton & Ocasio, 2008, p. 106), and have practical effects. The socially constructed central logic of an institutional order also serves as a source of legitimacy (ibid., p. 108), most notably in relation to its relational and moral dimensions (see further below). Moreover, “such logics constrain and enable the potential agency of actors ... enabling actors to make sense of their ambiguous world by prescribing and proscribing actions”, and thus provide “guidelines for practical action” (Suddaby and Greenwood, 2005, p. 38) or “a vocabulary of practice” (Thornton et al., 2012, p. 94). In this way, agency becomes embedded such that institutional actors have partial but constrained autonomy (the paradox of embedded agency, Battilana & D’Aunno, 2009).

Of particular interest to us is a stream of research which recognizes the co-existence of conflicting institutional logics and thus the inherent tensions in institutional arrangements and the implications for agency (Bjerregaard & Jonasson, 2014; Chung & Luo, 2008; Greenwood, Diaz & Lorente, 2010; Reay & Hinings, 2009; Seo & Creed, 2002). Reay & Hinings (2009), for example, identify the potential for competing institutional logics not to be resolved by one dominating the other, or by the ‘old’ logic being pushed underground and managed covertly (2009, p. 631-2), but by an accommodation through various mechanisms which allows their co-existence. Besharov & Smith distinguish between the *compatibility* of different logics which “imply consistent and reinforcing organizational actions” (2014, p. 367), or incompatibility as the reverse, and between the *centrality* of those logics – “the degree to which multiple logics are each treated as equally valid and relevant to organizational functioning” (2014, p. 369) – or otherwise. We argue that social actors’ concerns for organizational morality may help to further explain these tensions and how actors respond to competing logics.

However, within all the work which neo-institutional theory has spawned, there is a concern expressed most notably by one of the originators of the institutional logics perspective that, “the most critical omission [is] value” and that, “in their specification of the components of institutional logics [this omission] likely derives from the ... desire to avoid the normative legacy of the “old” institutionalism” (Friedland, 2012a, p. 585).<sup>6</sup> Klein (2015, p. 332), however, notes that while Friedland “brings the notion of values and meanings to the ground, closer to the practices and

objects surrounding them”, he gives “fewer clues about how we can account for [them].”<sup>7</sup> We advance such a discussion of value in institutional logics and contradictions here. While Klein (2015) takes his argument in a theoretical direction only, we not only take our argument in a theoretical direction by integrating MacIntyre’s work, but also extend it in an empirical direction. First, however, we follow Friedland (2012a, p. 585) and look more closely at the possibilities of understanding value in institutional theory as “sources of legitimacy” (Thornton et al., 2012, p. 56).

### **Institutional legitimacy**

Legitimacy has been described as “perhaps the most central concept in institutional research” (Colyvas & Powell, 2006, p. 308), in particular because of the “pivotal role it plays in the survival of social systems” (Tost, 2011, p. 686). The generally accepted definition within institutional theory remains that given in Suchman’s foundational article (1995, p. 574): “A generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs and definitions.”

Legitimacy is understood as having instrumental, relational and moral dimensions (Tost, 2011, p. 690-4). An entity will have instrumental legitimacy when it is seen as serving the goals of individuals or groups, and their legitimacy judgments will be based on the extent to which their goals are facilitated by the entity’s effectiveness, efficiency or utility (ibid., p. 694). Relational legitimacy occurs when individuals or social groups perceive the entity as affirming their own social identity and self-worth. Moral legitimacy is granted when an entity is perceived as being “consistent with the evaluator’s moral and ethical values” (ibid., p. 694). Evaluations of legitimacy are made simultaneously across all dimensions and the granting of legitimacy is always, therefore, contingent. For example, an individual may choose to shop at Tesco<sup>8</sup> principally for reasons of its instrumental legitimacy (it is physically convenient and has most of what he wishes to purchase), while he may judge its relational and moral legitimacy as questionable. Thus, he would have good reason to take his custom elsewhere, particularly if a Co-operative store<sup>9</sup> were to open in a convenient location.

Legitimacy is also understood as having both internal and external dimensions. Internal legitimacy “relies upon emergent ‘bottom up’ practices” and results in “the acceptance or normative validation of an organizational strategy through the consensus of its participants” (Drori & Honig, 2013, p. 347). It is generally seen as having had far less attention paid to it (Brown & Toyoki, 2013, p. 2) than external legitimacy which “may be bestowed on an organization by external stakeholders who endorse the worthiness of its vision or objectives and its competence to efficiently work towards achieving the designated objectives” (Drori & Honig, 2013, p. 346, see also Deephouse & Suchman, 2008, p. 54-5). In relation to this internal-external distinction, it is worth noting that legitimacy can be related to success in that it facilitates commitment from internal participants and enables resources to be accrued from external audiences (Deephouse & Suchman, 2008, p. 63). However, it is also worth noting that both the internal and external dimensions of legitimacy have a normative component reflecting a moral concern which might be more than simply the absence of the negative.

Few papers directly make this link between legitimacy and morality, but Schroder’s (2012) empirical study is an exception. He reveals how moral arguments can frame perceptions of economic rationality, how they can be used to denounce management decisions as immoral and hence deprive managers of social capital and destroy public moral legitimacy. Thus, moral arguments can be, at



least, influential in, if not essential to, organizational life and operate largely through affecting internal and / or external moral legitimacy. Schroder's study reinforces the point that institutional theory's engagement with morality relies upon the notion of institutional legitimacy. However, the study also demonstrates that moral legitimacy relies upon the absence of the negative rather than the presence of the positive, thereby confirming Deephouse & Suchman's (2008) contention that this is, at best, only a satisficing concept. How, then, might we develop institutional theory to make good this deficit?

### **Extending institutional theory through MacIntyre**

Having summarized institutional theory's key concepts, we are in a position to return to MacIntyre's work to see how this may complement and extend them. In relation to institutional logics and contradictions, it ought to be the case that, at the organizational level, an institutional logic is realized, in MacIntyre's terms, within the core practice(s) as providing "the socially constructed, historical patterns of material practices, assumptions, values, beliefs and rules by which individuals produce and reproduce their material subsistence" (Thornton & Ocasio, 2008, p. 804, cited above).

While the institutional logics literature uses the term "practices", and even references MacIntyre with respect to these, the terminology – "forms or constellations of socially meaningful activity that are relatively coherent and established" (Thornton et al., 2012, p. 128) – does not contain either the richness or the moral implications of MacIntyre's use of the term. MacIntyre's specific and detailed meaning of practice may therefore have something quite significant to offer to institutional theory, specifically addressing the underdevelopment between institutional logics and its use of practices which Thornton et al. (2012, p. 133-34) acknowledge. As above, MacIntyre's definition helps us to see that logics impact directly on practices (his definition) within organizations. Thus, a shift to a market logic (see, for example, Thornton & Ocasio, 2008, p. 107) will affect the practice and its moral basis if counteracting logics are not present. Moreover, MacIntyre's understanding of practice also more fully illuminates how institutional logics are intertwined with individual and collective *telos*. This opens up space to better understand how and why social actors respond in the way they do when they experience competing logics: when their core practice is threatened in some way through competing logics, it may in turn trigger a particular response in order to maintain the core practice.

MacIntyre's framework of the incorporated practice also draws attention to the inherent tension within organizations which we noted above. While the focus should be on the exercise of virtue at the practice level, the single causal order of the incorporated practice is such that:

"... the ideals and the creativity of the practice are always vulnerable to the acquisitiveness of [its incorporated form], in which the cooperative care for common goods of the practice is always vulnerable to the competitiveness of the [incorporated form]. In this context the essential feature of the virtues is clear. Without them, without justice, courage and truthfulness, practices could not resist the corrupting power of [the incorporated form]." (MacIntyre, 2007, p. 194)

Thus, the notion of institutional contradictions at the organizational level is enhanced by MacIntyre's conceptual framework in identifying an *inherent internal contradiction* between the practice and its

incorporated form. Furthermore, such internal contradictions may well lead to the kind of collective action which institutional theory has identified, but now informed by the notion that it is practitioners (who often have less power than 'institutional' actors) who may seek to defend the practice against its corruption by the incorporated form. MacIntyre's conceptual framework would also encourage those at the practice level to seek to dis-embed their agency to the extent that the practice is prioritized over its incorporated form, while recognizing its continued dependence.

Further, if we look to institutional legitimacy, we propose that it is related to organizational purpose; one would expect an organization's internal and external legitimacy to be higher, the 'higher' its purpose. In addition, MacIntyre's distinction at the organizational level between practices and their incorporation enables us to see how internal legitimacy is likely to be based principally around the integrity of the core practice(s). External legitimacy, however, depends both upon the integrity of core practice(s) and the incorporated form, such that the organizational focus is seen as supporting the core practice(s) rather than its own survival or success *per se*.

In relation to the instrumental, relational and moral dimensions of legitimacy, we propose that MacIntyre's concepts help in understanding that instrumental legitimacy is achieved through a combination of the internal and external goods arising from both the core practice(s) and the incorporated form. Relational legitimacy might be most effectively achieved when both internal and external audiences can identify with the practice(s) at the heart of the organization. And moral legitimacy is, on this account, more than just a satisficing concept but an essential component in organizational life as it relates to organization purpose, since it offers practitioners both the opportunity to exercise and develop the virtues within the practice, and thereby to produce and gain those goods which contribute to the achievement of their own and the community's *telos*. By offering the focus on excellence at the practice level and success at the organizational level as being in constant but potentially constructive tension, MacIntyre also offers a way of seeing organizations as always struggling with the contingency of legitimacy – if the ordering between the practice and its incorporated form becomes disordered, legitimacy may be undermined.

## Summary

We have suggested that MacIntyre's work offers possibilities to advance institutional theory's account of institutional logics, contradictions and legitimacy in five key ways. First, institutional logics are realized in and impact upon practices (MacIntyre's definition). Second, that MacIntyre's notion of a practice is both richer and draws attention to moral considerations in a way that institutional theory's usage does not. Third, institutional logics are intertwined with individual and collective *telos*, and this may explain why actors respond in the way they do when their practice – the site of their moral engagement – is threatened. Fourth, the inherent internal tension between practices and their incorporated form gives an additional location for institutional contradictions. Finally, institutional legitimacy is related to organizational purpose, with internal legitimacy closely tied to the practice and external legitimacy both to the practice and its incorporated form, and with moral legitimacy dependent upon the practice and the way in which it contributes to practitioners' and the community's *telos*.

But extending beyond these specific points, MacIntyre's framework points to morality as an essential component of (practice-based) organizations, such morality being located within the internal goods of the practice (the excellence of the goods or services and the 'perfection' of practitioners in the

process) and their contribution to the common good. Morality is, therefore, brought back in to organizational life in a way that institutional theory, absent MacIntyre, cannot account for. Such theorization, however, requires empirical evidence to show whether and how it might apply in practice. Hence, it is to our empirical study that we turn next.

### **Research context, design and data analysis**

The site for the empirical work was an ecumenical study of Christian churches. There is a growing body of research that looks to churches as an empirical site to extend understandings in organization studies in such areas as organizational change (Garland & Darcy, 2009; Plowman, Baker, Beck, Kulkarni, Solansky & Travis, 2007), identity and identification (Creed, DeJordy & Lok, 2010; Gutierrez et al., 2010; Kreiner, Hollensbe & Sheep, 2006), accountability (Mutch, 2012), reputation (Middleton, 2009) and leadership (Grandy, 2013). This study fits within this genre, using the study of churches as organizations to explore concepts in MacIntyrean and institutional theory. It is not, therefore, a study of religion (King, 2008) nor of the ‘theology of organization’ (Sørensen, Spoelstra, Hopfl, & Critchley, 2012).

Following Tracey’s (2012, p. 118) suggestion, in looking to a religious-based empirical site we “extend organizational institutionalism by exploring institutional ideas in a novel context” (for a further example of this type of study, see Peifer, 2014). However, this study is also purposive in two ways. First, it can be argued that churches are both institutions and organizations. That is, given religion as an institutional order and the hierarchical nature of most Christian denominations, we might expect to find “religious logics” (King, 2008, p. 215; Thornton et al., 2012, p. 132) imposing on practitioners and on the local levels of the church such as the parish, which can themselves be regarded as organizations. This interplay between institutions and organizations seemed, *ex-ante*, to offer potentially interesting empirical findings. In this way, we also respond to Greenwood, Hinings & Whetten’s (2014) call for more organization and management theory (OMT) studies that acknowledge context, specifically the understudied institutional order of religion.

Second, given the values-driven nature of these organizations, churches were expected to be sites where morality was of significance and hence where nuances in the relationship between morality and organization might be explored. Indeed, consistent with MacIntyre’s argument that organizations differ in the extent to which they have been shaped by philosophical and cultural developments, churches may have preserved certain understandings and practices, and hence we may have much to learn from them. We thereby draw on Lawrence & Dover’s (2015) rationale for selecting an empirical site because the phenomenon under study would likely be important in that context. In doing so, we build upon the work of Tracey (2012) and Tracey, Phillips & Lounsbury (2014) and illustrate how religious organizations / institutions and those involved with them are relevant to OMT.

The specific empirical context was a two-phase ecumenical study of churches in the north east of England, within the context of a broader project entitled “Receptive Ecumenism and the Local Church”, a five-year interdisciplinary study commencing in 2007 which attracted participation from most of the Christian denominations in the area.<sup>10</sup> The first author was invited to join the research team and, given that, as above, churches provided a *prima-facie* example of organizations where

morality would be integral to their being and functioning, accepted. This is not to say, of course, that other religious organizations would not have been equally appropriate sites. The approach adopted<sup>11</sup> was qualitative so as to develop a deep understanding of the lived experiences of actors involved (Silverman, 2000; Suddaby, 2010, p. 16) at different levels within and across denominations.

The first phase involved a mapping (for example, demographics, constitution, structure) of each of the seven participating denominations at three levels (Regional, Intermediate, Congregational). Appendix A provides a description of the participating denominations (two Anglican Dioceses participated but were kept separate for analytical purposes). The breadth of theological understanding and organizational practice across the denominations allowed for genuine commonalities and differences, rather than just idiosyncrasies, to emerge. Having completed this largely desk-based exercise, a set of issues for churches as organizations emerged which were followed up in a second phase of the research. The second phase informs the basis of this paper.

Purposive sampling (Silverman, 2000) was employed for the second phase which involved interviews (and one focus group with three participants) with key personnel at the three levels across denominations. This included a balanced mix of ordained and lay persons and 76 participants in total – see Table 2 for an overview of the denominational representation and abbreviations used. The purpose of such sampling was to gain a breadth and depth of view representative of each denomination rather than because particular differences within specific groups were anticipated.

Three researchers, including the first author, were involved in conducting the interviews. One pilot was conducted at which one of the three researchers conducted the interview and the other two observed. A feedback session between the researchers was held to confirm the interview guide and to discuss and confirm interview protocols. The interview guide increased consistency across interviewers but at the same time it was recognized that meanings are created in interaction with respondents (Mason, 2002). Thus, despite the interview guide and prompts being developed in advance to facilitate a rich discussion, the conversations took the form of semi-structured interviews. Ethics approval was obtained from the appropriate University research ethics committee and all respondents completed a consent form. The interviews were recorded.

The purpose of the interviews, which on average were one hour in duration, was to explore in more depth than Phase 1 had allowed the varying articulations of churches as organizations across the denominations and covered governance arrangements, mission and strategy, finances and, of particular relevance to this paper, a discussion of organizational arrangements. The questions pertaining to the organizational arrangements were framed broadly whereby participants were asked about the main elements of their faith and how the church (as an organization / institution) affected the practice of their faith. The purposes behind these particular questions were not elaborated, as they followed naturally from the previous discussion, and in practice respondents answered these readily (and, in some cases, rather fulsomely).

Denomination	Regional	Intermediate	Congregational	Clerical	Lay	Male	Female	Total number of interviewees	Abbreviations
Anglican Diocese of Durham	3	2	3	4	4	6	2	8	ANGD 1-8
Anglican Diocese of Newcastle	3	2	3	4	4	6	2	8	ANGN 1-8
Assemblies of God Northumbria Region	2	-	7	4	5	9	0	9	AoG 1-9
Northern Baptist Association	6	-	4	4	6	8	2	10	NBA 1-10
Roman Catholic Diocese of Hexham and Newcastle	5	3	4	6	6	8	4	12	RC 1-12
Methodist District of Newcastle	3	2	5	5	5	7	3	10	METH 1-10
Salvation Army Northern Division	5	-	4	6	3	6	3	9	SA 1-9
United Reformed Church Northern Synod	3	2	5	5	5	5	5	10	URC 1-10
Totals	30	11	35	38	38	55	21	76	

**Table 2. Denomination and interviewee details**

The process of data analysis and theoretical development was iterative and collaborative between the two authors. Independently, both authors first engaged in a process of ‘literal readings’ (Mason, 2002) of the transcripts. Following this, collaboratively the authors engaged in ‘interpretative readings’ (Mason, 2002) and discussed initial interpretations. NVivo was then used as a tool for organizing the data and conducting coding. The initial coding was informed by the interpretative readings and collaborative discussion. The process was exploratory in nature and was intended to ‘get a feel’ for the participants’ accounts, independently and then collaboratively. A number of broad codes were discussed including, agency, bridging community and faith, defying the institution, incremental change, learning, framework of accountability, stability and guidance.

Given our general interest in churches as values-driven organisations and thus sites where we expected morality to be important, our next step was to re-read the data through a MacIntyrean lens. Thus, the starting point for our theoretical coding was informed by MacIntyre’s work. A type of template analysis (King, 2004) informed by *a priori* themes from MacIntyre’s work (for example, core practice, organizational purpose, internal versus external goods, the priority of the practice over its incorporation, the tension between practice and incorporation) was followed to refine the broad codes from the early stages of the data analysis into more meaningful themes. For example, participants talked about how important their faith was to their lives and that they couldn’t imagine their lives without faith grounding them. We coded this as ‘*telos*’. Participants also talked about how

their commitment to their faith and the church was a “journey” (ANGD2) with others, always in progress and always requiring their attention. We coded this ‘commitment to excellence’ and ‘practice’. When participants talked about their struggles to reconcile the good purpose of their faith and the organisation (e.g., unconditional love, giving back), with the “dogma” (URC10) that sometimes seem to drive decisions, we coded this as ‘tension between core practice and institution’. A concern for organizational purpose, its relationship to the core practice(s), and an apparent struggle to ensure the integrity of the practice and the purpose of the organization resonated across participants’ accounts.

We were also intrigued by participants’ tendency to frame their responses within what we interpreted as broader *teleological* terms. While this latter finding may not be all that surprising, we felt to better understand the organisational and institutional implications of this, it warranted another complementary lens to further explain these complexities. In collaborative discussions, it was the findings pertaining to *telos* and the tensions that surfaced in participants’ accounts which triggered our interest to go back to the literature on institutional logics, contradictions and legitimacy to further explain this. Informed by this understanding, a further stage of collaborative coding occurred in which the MacIntyrean themes which had already emerged were combined with concepts from institutional theory leading to a new set of integrated themes. Here we present the three core themes which emerged from this iterative process namely: *Religious logic, organizational purpose, core practices and telos*; *Responding to institutional logics and contradictions as a moral project*; and, *Concerns for legitimacy*.

In the presentation of our findings, we take our lead from Pratt (2009, p. 860) and use “power quotes”, that is some of the most compelling accounts in the main text, and support these with “proof quotes” in Table 3 to highlight the salience of the themes in the wider study.

## Findings

### **Religious logic, organizational purpose, core practices and *telos***

Discussion with participants concerning the main elements of their faith was deliberately framed in a broad and general way, and was expected to elicit practical elements such as prayer and worship (as indeed it did). It was, however, common for respondents to frame their responses within a broader *teleological* / theological framework. We see this framing as, in effect, a statement of a religious logic, but also integral to organizational purpose, to the core practices of the church, and to individual *telos*, as is evident from the comments of ANGD2 and NBA2:

“The main elements of my faith are that God loves me and every single member of the human race without condition ... God is inviting us to work with him to make the world the sort of place he wants it to be.” (ANGD2)

“Well, fundamentally it’s obviously a living relationship with Christ which is, you know, the hallmark of the faith. And the, erm, the commitment to the evangelisation of the world, which is mission terms, right?” (NBA2)

In some cases this theological framework was very personal, as can be seen in the comments of AoG1:

“My faith is that Jesus Christ died for me, to save me, and I belong to him, and he had guaranteed my salvation and I am going to heaven.” (AoG1).

These quotes support Friedland and Alford’s claim that, in the case of religion, the institutional logic broadly speaking is transcendental truth and the “symbolic construction of reality within which all human activity takes place” (1991, p. 248). We interpret that these respondents’ statement of religious logic and, in the case of ANGD2 and NBA2, the commitment to organizational purpose and core practices of the church, is intimately tied to their own *telos*. We therefore note that institutional logics which are linked to an individual’s *telos* may be more compelling and explain actors’ practical actions.

Generally, many of these statements bore some similarity to credal statements without being recited in specifically credal form, although the rather different religious logics of the various denominations were clearly evident. In a number of cases, as in the ANGD2 quotation above, it was clear that this *teleological* / theological position led directly into practical action, and more generally there was a link from beliefs via organizational purpose to core practices as in acts of service and proclamation (evangelism – as in the NBA2 quote above). ANGN1 also illustrates this vividly as s/he talks about how the church and its various practices (“the Eucharist”, “serve God in the world”, “proclaim the kingdom”, “perform acts of mercy”, “witness for peace and justice”) stem from his/her faith:

“Well, I would see myself as a Catholic Christian. I mean I believe in the Catholic faith. I mean I believe the Incarnation, God, grace, the sacraments, the Eucharist, the ministry. And then the church having a duty to be ... to serve God in the world. And to go out to the world and to proclaim the kingdom and to ... and perform acts of mercy and to witness for peace and justice.” (ANGN1)

It is of note that participants from all denominations (though not every respondent) offered such statements (see further examples in Table 3). Thus, there is a clear relationship starting from a theological base (religious logic), through organizational purpose to the core practices of the church and linked to individual *telos*. That such statements and relationships arose in a church context may not be all that surprising, but we address the broader implications of this in the discussion.

### **Responding to institutional logics and contradictions as a moral project**

We have noted that MacIntyre’s notion of a practice gives a specific locus for the realisation of institutional logics within organizations, and that for all denominations a clear exposition of the main institutional / religious logic and the link to practices was available. Thus, if the main institutional logic is taken to be about transcendental truth (as above), then this would be expected to find application in promoting the truth about God, and the spiritual nature of reality, as well as in more practical areas of concern. This is evident in the quotations from ANGD2 and ANGN1 above and can also be seen in the comments of SA8:

“The word Salvation appears in our title, and our ministry is about the salvation of men and

women of the world, and within salvation, becomes a need to care not only for the spiritual aspect of the man or woman but also for the physical and mental aspects ..." (SA8)

The response to the institutional logic is therefore the pursuit of organizational morality in the sense of what participants understood to be the purpose of their organizations and their core practices, which serve the overriding good of the community – see for a further example the ANGD7 quotation in Table 3.

Unsurprisingly, however, there were also expressions of institutional contradictions. Some of these occurred in relation to the distinction between the core practices and the incorporated form, and demonstrated the existence of co-existing logics (for example, patriarchy and equality) and their accommodation. RC1, a member of the Catholic Church where only men can be priests, illustrates this:

"Out there in [name of parish], a religious sister is in charge of that parish. It's fantastic. I went there on visitation, the place was alive. One mass,<sup>12</sup> but the church was packed, and she had a group of young people there playing guitars and everything, and went into the hall then to meet the people afterwards and they find her terrific, you know." (RC1)

We interpret from RC1's comments that actors are willing to accommodate co-existing competing logics as long as the purpose of the organization and its core practices remain intact. METH1, for example, described this accommodation as "tolerance" and the absence of a "straightjacket" (and see also the AoG5 and RC6 quotations in Table 3). In this way, MacIntyre's conceptual framework provides a path through which to explain how, when confronting competing logics, actors' responses may be moral in nature.

Following MacIntyre, we also interpret a prioritization of the core practice over its incorporated form as a moral project, whereby agents strive to pursue excellence in the practice and sustain the organization as virtuous. URC10 highlights how a core practice such as showing compassion should be prioritized over the concerns of the incorporated form such as following rules and regulations (for example, "getting the dogma right"):

"I am not convinced that the church as an institution is being quite what the church as seen in the New Testament ought to really be about. But I would still suppose that I would rather try to work for its humanizing or whatever is required, from within, rather than be a critic from without ... I think it's important that the church is seen to care about people as people, rather than about getting the dogma right, that kind of thing, and within, the people are responsive, in some measure at least, to genuinely care, show compassion." (URC10)

We interpret that respondents RC1 and URC10 had a concern that the incorporated form was potentially unsupportive of the core practices and that the contradiction needed to be resolved in favour of the practice or an accommodation found in such a way that the core practices of the organization might continue to flourish – further evidence of a concern for the moral basis of the church. Following Besharov & Smith (2014), it could be argued that the exercise of members' agency can lead to logic compatibility in that consistency in goals (in this case showing compassion) is more important than "the means by which goals are to be achieved" (p. 367), and by extension we argue that this is a moral project.



The empirical evidence and MacIntyre's conceptual framework, therefore, help us to see that institutional contradictions may be located between the practice and its incorporation at the organizational level, rather than just at the institutional level. Interestingly, however, there was also evidence of contradictions *between* practices, an empirical finding that has not emerged in previous MacIntyrean studies (though see Note 5 for MacIntyre's acknowledgement of this possibility), and a further point to which we will return in the discussion:

"Personally my burden is that the institution of the SA has allowed the traditions of musical performance to highjack the living of faith, whereas they become more important than discipleship, so the institution that kind of nurtures and maintains that set of priorities is counter-productive to growing and moving on in faith, simply because the priority's been the wrong way around."(SA3)

While our study is not longitudinal and therefore we cannot discuss how and if the conflicts were resolved, it is clear that SA3's concerns were for the core practice of discipleship to regain its rightful place over what might be regarded as the sub-practice<sup>13</sup> of musical performance. This again provides evidence of a moral concern related to the organization's purpose through the prioritisation of the 'true' core practice.

### **Concerns for legitimacy**

As evidenced above by the focus on and realisation of organizational purpose and practices, the moral legitimacy of the church was of concern to respondents. This might be interpreted as a concern for both internal legitimacy (church members wanting to be associated with an organization that was legitimate in their own eyes), and external legitimacy (a desire for the church to be seen from the outside as a legitimate organization). However, other dimensions of legitimacy were also in evidence, as may be seen from the comments of SA8 which, on close inspection, includes instrumental ("the world knows who we are"), relational ("I like our identity") and moral ("the SA is to be trusted"), as well as internal ("I like the joy and the music and style") and external ("the level of respect we are given within the community") dimensions:

"Yes of course, because I like the ways we worship in the SA; I like the joy and the music and the style, I like our identity, I like our uniform, I like the fact that the world knows who we are. Whether they think we're crazy or not, that's another issue, but they know the SA is to be trusted, and we have a huge level of respect within this nation which is almost in some cases unique; other ministers, other churches, denominations would give their eye teeth to have the level of respect that we are given within the community, and so all of those factors lead me to be a SA, and ... I desire to be a SA officer." (SA8)

Specifically, with regard to external legitimacy we interpret from SA8's account that it depends both on the core practices which the Salvation Army undertakes (implicit in the quotation above, but explicit in SA8's earlier quotation), and upon the integrity of the incorporated form. SA8's comments about how others (churches, denominations) "would give their eye teeth" to experience similar success may raise some question about the extent to which the organizational focus supports the core practice over privileging its incorporated form. However, it is clear that this reputation stems from the level of trust engendered through its core practices.<sup>14</sup>

Similarly, ANGN7 below reveals evidence of a concern for external legitimacy when s/he implies that the vicar has a positive reputation in the community, both in schools and pubs. We interpret that the references to “our church” and “where we come” to gather for various events speaks to external and relational legitimacy whereby ANGN7’s description of the vicar’s participation within this community demonstrates a favourable social identity. Similarly, we contend s/he also speaks to moral legitimacy in the suggestion that the church continues to be a desirable place for important life events such as baptisms, weddings and funerals. In this way, we conclude that legitimacy is tied to the integrity of both core practices and their incorporated form:

“And this is our church where we come – I mean I’m talking general perceptions – but it is very much perceived as our church where we come for baptism, quite a lot of weddings (not as many as we would like but quite a number), funerals. The vicar is accepted and wanted around in the schools – all eight of them. The vicar is accepted and wanted around the pubs.” (ANGN7)

Interestingly, associated with the desire for the moral dimensions of legitimacy, there was concern that this might be under threat – see below and also the SA5 and NBA9 quotations in Table 3. This concern also illuminates how institutional legitimacy is related to organizational purpose and practices – see the RC5 quotation in Table 3. This emerged from accounts whereby sub-practices (for example, musical performances – see above SA3’s account) jeopardized the integrity of the core practice and thus the internal, external and moral dimensions of legitimacy. As can be interpreted from ANGD2’s comments below, competing logics (for example, unconditional love versus marginalization and exclusion of particular groups) threaten the organizational purpose, core practice and in turn the internal, external and moral legitimacy of the organization:

“Well, if we start off with my belief that God loves me and loves everyone unconditionally, the problem is that much of what the church is heard to say and sometimes to do seems to send a message which contradicts that. So whether that’s about the complication of getting married if you’re divorced, whether it’s the stuff about being gay ... possibly the stuff about the way we do and do not treat women,<sup>15</sup> those can be perceived in the public arena as calling into question the stuff that for me is at the heart of the gospel. Now of course you can argue round that, but in terms of public perception, the church as organization isn’t always very helpful.” (ANGD2)

While not surprising in the sense that the churches have been under attack from secular sources over their positions on matters of gender and sexuality, and equally unsurprising in the sense that churches would still be regarded generally as moral pillars in society, the concern for and over internal and external moral legitimacy, and of this being much more than simply a satisficing requirement, emerges from this empirical evidence.

Theme	Illustrative Accounts		
Religious logic, organizational purpose, core practices & telos	<i>I have a belief in God, and a belief in Jesus as the incarnation of God and of a way to God. A belief that we are all working toward the</i>	<i>Right, honestly, faith is kind of based on the life and person of Jesus; we are seeking therefore to continue the work that he</i>	<i>Well for me faith is about an awareness of God’s presence in and through creation, and something about the person of Christ</i>

	<p>kingdom of God... which I would understand as working towards ourselves and the people around us and the world being as God intended it to be. (ANGN8)</p>	<p>initiated, to do what we feel he would be doing in the society of this time; to explore with people the call he might have on their lives; to seek to help those that are suffering. There is an aspect of worship in that, encouraging people through worship; an aspect of charitable works in that; an aspect of evangelism in that, because we want people to experience what we experience. (METH7)</p>	<p>in terms of giving – finding life through death, and that is self-giving love; and something about the Spirit as the unifying factor; so the Trinity is quite important to me personally in terms of that Trinitarian community ... And church articulates that so the church is the living community of the body of Christ, so it's actually very important to be part of a faith community ... to me the church needs to be living, a living community of love, welcome, that articulates the concern for the other, and that self-giving love, that's what it should be. (URC9)</p>
<p>Responding to institutional logics and contradictions as a moral project</p>	<p>... certainly there have been huge developments over even just the last decade away from institutionalization with a very small "i". Things like the introduction of Common Worship and all of the freedom and different options that that provides for, things like the growth of Fresh Expressions<sup>16</sup> explicit endorsement from the Archbishops for trying new ways of being church. (ANGD7)</p>	<p>I would find the most often, the things to do with individuality, and grace, there you have the tension between organization, accountability, freedom; sometimes a church can swerve more toward accountability in the sense of control rather than freedom or individuality, all for the best intentions. It's something you have to guard against, so there are tensions...there are times when it releases and times when it hinders. (AoG5)</p>	<p>...how do you stay within the church? I said ultimately it will come down to how I imagine the person of Jesus Christ to be ... Being open to the complexity, the paradoxes that are there in the Bible, in the scriptures. And a willingness to kind of explore what these things might mean and to do so in an honest way, with some integrity, without trying to dominate or dictate that this is how, this is what things mean. (RC6)</p>
<p>Concerns for legitimacy</p>	<p>I do have a concern that ... the SA in terms of its history I think is helpful, but the means by which it delivers that mission today, you know I'm determined that it will be relevant to today, so changing the way in which the SA is represented on the street, publicly, ... probably the reasons why we have problems with our profile is our Victorian past tends to</p>	<p>I mean everything's got to have a framework and structure I think for it to work... the bee in my bonnet really is just that church is not relevant to the everyday person any more and I think Jesus would find that really, really distressing ... its lost touch I think with everyday life. (NBA9)</p>	<p>Well, the church is a framework in which to operate. It's not there as an end in itself. It's there to help us, you know, live our faith, celebrate it, and also to share it. That's how I see the church. (RC5)</p>

	<i>stay with us, we've got to shed that, work within the organization to change that.</i> (SA5)		
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**Table 3. Additional proof quotes**

### Discussion

The focus of this paper is on the extent to which the moral dimension is an essential component in organizational life and therefore as significantly more than a satisficing concept. Both conceptually and empirically we proposed a moral account of institutional theory by fusing notions of institutional logics, contradictions and legitimacy with MacIntyre's work on organizational practices, purpose, goods and virtue. We discussed three themes from the analysis of our empirical data to demonstrate the significance of our conceptual work.

The theme *Religious logic, organizational purpose, core practices and telos* revealed how respondents began discussing the elements of their faith by reference to their theological position, sometimes in a form that was close to a credal statement, and this raised interesting questions about their reasons for doing so. We suggest that two theoretical perspectives, from MacIntyre and institutional theory, help to explain this. First, MacIntyre's notions of "a chain of 'for the sake of' relationships" and therefore of "reasons for action" (MacIntyre, 1988, p. 131) may be of assistance. Rational action, he argued, is always accountable, such that answers to "Why did you so act?" questions (ibid., p. 131) take the form of a recounting of deliberations (which may have been implicit at the time of the action itself), in which the actor moves from a notion of the good to be pursued to a (series of) judgment(s) about which actions best move the agent towards that good. And this should lead, ultimately, to an ability to justify any particular action, to explain how this action is for the sake of its own good or towards some other good, such that it is in the end a constitutive part of the individual's *telos*. By giving an account of their theological position and hence of their own *telos* in relation to their theological understanding, respondents were, in effect, providing reasons for the practical actions (related to organizational practices) which followed.

It might be thought, at first sight, that this finding is unique to religious organizations or others (charities perhaps) where respondents might be expected to make such a link and that, as such, this study is too extreme a case to bring "into sharper focus ... processes that can exist in other contexts" (Kreiner, Hollensbe & Sheep, 2009, p. 707). However, while we would not necessarily expect respondents in a business setting to supply a justification for their actions by way of a summary of (their belief in) capitalism or of the necessity of property rights, for example, we might properly expect them to be able to speak of their organization's purpose and how its goods or services contribute to the common good. Otherwise, they would appear to be operating at best amorally and at worst emotively, with little awareness or concern for a higher purpose for their actions. In this respect, businesses and other organizations should be no different from religious organizations. But being able to provide (or being asked to do so) reasons for action, necessarily introduces a moral dimension to organizational life.

The second explanation stems from the fact that many of the statements made by participants in this study contained some creedal-like elements. We contend that this suggests an institutional influence in addition to the personal commitment thereby expressed and some relationship to the notion of institutional / religious logics. As discussed, the suggestion is not that respondents simply regurgitated mantras that their own denomination had supplied – the responses were too personal and clearly meaningful to the individuals concerned. But that institutional logics find practical expression in, in this case, statements of belief or “vocabularies of practice” (Thornton et al., 2012, p. 94), and result in practical action, is borne out by the empirical findings here. In this particular case, what the empirical evidence and MacIntyre’s framework add to institutional logics is the idea that institutional logics may be more compelling to institutional actors if they provide a link to the actor’s ultimate *telos*. Without such a relationship, the legitimacy of the logic is likely to be called into question and may serve as a trigger for resistance. This suggests that morality may be an important component in the practical realisation of institutional logics and extends the work of Friedland (2012a) and Klein (2015) on how values play a role in institutional theory.

In doing this, we also extend Besharov & Smith’s (2014) conceptual work on multiple institutional logics. As noted earlier, in the face of competing logics (in the case of the Roman Catholic sub-field, patriarchy – where only men can be priests – versus inclusion and equality in leadership), members strive to resolve conflict through supporting the core practice and organizational purpose. Through the exercise of such agency they create consistency in goals (spiritual growth, engagement) leading to logic compatibility.

Our contribution to offer a moral explanation to actors’ responses to competing logics also brings to light other broader implications of our empirical findings. It can be argued that increased interest and focus in academia and practice around workplace spirituality, sustainability, social enterprise and shared value (for example, Porter and Kramer, 2011) are efforts to link work and organizational life to an individual and collective sense of greater connectedness. In doing so this gives rise to competing logics within organizations and institutional fields as actors strive to re-claim or re-define core practices and organizational purpose in a way that puts these into better order. By integrating MacIntyre and aspects of institutional theory as we have done here, it opens up avenues for further research to ‘unpick’ the morality of organizational life, at the individual, organization and institutional levels.

In a related vein, our study illustrates how institutional contradictions are more than just a possibility but are indeed *inherent* between the practice and its incorporated form, an observation from MacIntyre’s conceptual framework and the empirical evidence which enhances institutional theory. That the practice and its incorporated form also exist, in MacIntyre’s terms, as a single causal order suggests that accommodation is not only possible but is also essential to organizational life. The fact that contradictions were also shown to exist at the level of practices within organizations (the role of music in the Salvation Army), also enhances both MacIntyrean and institutional theory, and it may be that when such conflicts arise there is a role for the incorporated form in adjudicating between practices, since it is perhaps able to see ‘best practice’ in a way that individual practices, with their own concerns, are unable to do (see Moore, 2002, p. 29). But, again, the focal role of practices and the need for contradictions to be resolved or accommodated, suggests that concerns for the moral basis of organizations need to be taken into account.

It was also noted above that there was a determination not to let the incorporated form 'get in the way of' the practices of faith. This reinforces the point that, in this study at least, morality, in the sense of the achievement of the internal goods of the practice, held precedence over concerns with external goods such as reputation or success. Equally, as discussed in the theme *Concerns for legitimacy*, we suggest there is evidence here of the moral dimension of legitimacy from an internal perspective. For these respondents the moral legitimacy of the church was maintained only because the church enabled a focus on its core practices. Such a focus on moral legitimacy was also clearly more than just a satisficing requirement; without this the church as organization would be in danger of losing its moral legitimacy for participants, and there was some evidence that this was already happening in relation, for example, to issues over remarriage for divorcees, sexuality and gender.

In relation to institutional legitimacy, aside from the internal dimensions discussed above, external legitimacy was also founded upon the practices of the church – practices in the form of, for example, social action in the Salvation Army and religious practices such as baptism in the Anglican Church. In other words, those external audiences which conferred legitimacy on the organization did so primarily on the basis of the practices at their core, and therefore focused their legitimation on the moral legitimacy of the churches. This suggests that the concern for moral legitimacy is much more than simply a satisficing requirement for both those inside and outside the organization.

## Conclusions

The purpose of this paper was to explore the extent to which the moral dimension is an essential component in organizational life, and through this to re-infuse value into institutional theory via the integration of MacIntyre's conceptual framework with key parts of institutional theory. We argued that MacIntyre's notions, and in particular his concept of a practice, and the re-description of organizations as incorporated practices, have something quite powerful to contribute to the development of institutional theory. In doing so, we have sought to address Munir's (2015) concerns for the absence of moral philosophy or ethics in institutional theory's theoretical basis.

The empirical evidence drawn from the study of Christian churches demonstrates that MacIntyre's concepts have traction within organizations and, within the particular context of this study, suggests that morality is an essential component to an institutional understanding of organizations. Thus the main finding, consistent throughout the empirical evidence, is of practitioners' concern with the *telos* of their organizations and the core practices of their faith, and hence of the moral nature of organizational life. Another way of putting this was that organizational actors were able to provide reasons for their actions (religious logics) which tied these back to organizational purpose and their own *telos*, and that concern for alignment between these, and the consequent preservation of organizational legitimacy, motivated practical action.

The choice of churches as the object of the empirical study was quite deliberate, as sites where morality was expected to be of significance. This, of course, also represents the most obvious limitation of this study. Application to other value-driven organizations, where morality might be expected to be important, such as (non-profit) hospitals, charities and non-governmental organizations, and to some professions including those involved in health care, would seem to be straightforward. Here, morality as defined in the MacIntyrean sense would be expected to be

equally important. In relation to for-profit organizations, the ability to provide “reasons for action” linked to organizational purpose, and a concern for legitimacy in all its dimensions including the moral, suggests that morality may be a similarly essential component of organizational life.

However, the key to the generalizability of the findings is whether the activity at the core of any particular organization can be legitimately described as a practice under MacIntyre’s definition, and whether, as von Krogh et al. (2012, p. 666) noted, the internal goods of the practice promote the public (common) good. In this respect, a recent debate, almost in the form of a dialogue between MacIntyre (2015) and Wyma (2015), is instructive. MacIntyre claimed that financial traders in particular, and the financial sector in general, could not satisfy the conditions of a practice: “the making of money, whether for oneself or for others, can ... never be a practice” (personal correspondence cited in Wyma, 2015, p. 233). Wyma responded by arguing that the role of an investment advisor is “*to enable the positive liberty of his or her client ... [and] only one resource genuinely enables positive liberty in the fullest sense: money*” (2015, p. 237, emphases in original). But this fails to answer MacIntyre’s critique that there is, at its heart, a “vice that informs the financial sector of the globalizing economy: growth both for the sake of growth and at the service of and as an expression of acquisitiveness” (2015, p. 17). Indeed, Wyma acknowledged that investment advising fails the public (common) good test by currently “contributing to the gap between haves and have-nots”, although he argued that this is not intrinsic to investment advising (2015, p. 241).

There have been better arguments put forward in favour of financial services, and specifically banking in its traditional form, as a practice (Robson, 2015; van de Ven, 2011). In addition, the point has been made that many organizations must contain the vestiges of a practice, for if a particular organization did not then it “would have, in effect, “killed” itself from the inside by failing to sustain the practice on which it itself is founded” (Moore, 2005b, p. 679). And while this holds out the possibility that this may apply rather more widely than might be supposed, and therefore may include many for-profit organizations, the general conclusion to which this points is that it is only in organizations which can genuinely be regarded as being practice-based, and which make a contribution to the common good, that we should expect to find that morality is an essential component of organizational life.

Hence, while further research is needed in a wider variety of organizations to substantiate the claim that morality is more than just a satisficing concept in practice-based organizational life in general, the conclusion of this paper is that this will indeed turn out to be the case. Hence, any understanding of practice-based organizations which ignores or underplays the moral dimension will give, at best, a diminished account of organizational life.

### **Implications for institutional theory**

What, then, does this mean for institutional theory in general? By fusing core elements of institutional theory – logics and legitimacy – with MacIntyre’s work, we have demonstrated theoretically and empirically that morality is an essential component of practice-based organizational life. This implies that, in addition to the neglect of power (Munir, 2015), institutional theory needs to rethink its neglect of morality.

In this regard we believe there are a number of fruitful ways forward. First, we suggest that one possible avenue for future research lies in exploring more fully how morality is embedded in and

transmitted between organizations as it relates to institutional isomorphism (DiMaggio & Powell, 1983). Are core practices destabilized or strengthened in the processes of mimetic, normative and coercive isomorphism? Second, are we able to witness the unsettling of the taken-for-grantedness of organizational life when practices are threatened by their incorporated forms and a too single-minded pursuit of external goods? In addition, how is the taken-for-granted nature of organizational life at the micro-level of individual actors (Thornton et al., 2012, pp. 23, 77) informed by concerns for morality at individual, organizational and institutional levels? Third, how does morality itself become institutionalized? In these, and potentially other ways, institutional theory might begin to make good its deficit and bring morality back in. We therefore invite institutional theorists and practitioners to pursue this agenda.

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### Notes

1. MacIntyre does not qualify 'perfection' but it might more naturally be taken as referring to the development of the moral character, or the flourishing, of practitioners.
2. This has previously been referred to as the *balancing* of the pursuit of internal and external goods (see Moore, 2012a), but we judge the notion of *ordering* to be closer to MacIntyre's (and Aristotle's) intention – see Morrell (2012, p. 44-5) for a critique.
3. For further elaboration of this point see Moore (2011, p. 50; 2012a, p. 365).
4. Incorporation might appear to have overtones of business, where companies are often referred to as incorporated into a legal entity or as corporations. However, the term is much wider and originally refers to "uniting in one body", from the Latin *corpus*. Thus, for example, UK universities are educational, charitable and chartered corporations. An alternative has been suggested by Kavanagh who distinguishes between institutional and core practices (2013, p. 107), but this is felt not to provide sufficient terminological differentiation.
5. It is acknowledged that there must be, as it were, a 'scale of goodness'. Even for organizations which might be deemed not to have a good purpose, there is the potential for agents to exercise virtues and obtain internal goods; there is honour even among thieves. However, this will always be a distorted practice and the external evidence of the exercise of the virtues (theft in this case) will always fall short of desirable social standards and will thereby infect the practitioners such that they fail to achieve their own *telos* (overall purpose in life) of *eudaimonia* ("blessedness, happiness, prosperity. It is the state of being well and doing well, of a man's being well-favoured himself and in relation to the divine", MacIntyre, 2007, p. 148). MacIntyre himself recognizes that there may be practices "which simply *are* evil", though he doubts whether such activities fall within his concept of a practice, and he also recognizes that engagement in a practice may be corrupting when "the desire to excel and to win" takes over, or when becoming engrossed in one practice results in neglect of another – painting over family, for example (2007, p. 200, emphasis in original).
6. This criticism is directed at the authors of *The Institutional Logics Perspective*, Thornton et al. (2012), but might be made more broadly. Friedland (2012b, p. 8-9) refers to institutional value as "substance", an Aristotelian category which is line with the MacIntyrean ideas developed in this paper: "A substance is the metaphysical foundation of the institutional logic, which provides the *telos* of the subject, the basis of her identity and an ontology of the objects deployed in her practice."



7. We should also note that the first part of Klein's title – "Bringing values back in" – links back to Friedland and Alford's (1991) paper, as does ours. We had, however, already used "Bringing morality back in" in earlier versions of this paper before Klein's work was published, and so decided to retain it.
8. The UK's supermarket chain with the highest market share, although recent events, particularly associated with an over-statement of profits, and an investigation into its relations with suppliers amid concerns it breached the Groceries Supply Code of Practice, have raised questions about even its instrumental legitimacy – see <http://www.bbc.co.uk/news/business-29306444> and <http://www.bbc.co.uk/news/business-31143452>, accessed 12 August 2016.
9. Possibly the UK's most ethical supermarket, certainly in relation to the range of Fair Trade products it stocks. It is, however, generally more expensive than Tesco, and has also been in financial difficulties (see <http://www.theguardian.com/business/2014/mar/24/co-op-groups-troubles-not-limited-co-op-bank>, accessed 12 August 2016, for example), such that its instrumental legitimacy may also be somewhat questionable.
10. See Murray (2008) on Receptive Ecumenism more generally.
11. The overall "Receptive Ecumenism" project had three research themes – the organizational theme is reported on here, the other two being leadership and ministry, and learning and formation.
12. We assume this refers to limitations in the number of Masses offered, due to the unavailability of a (male) priest, and hence the introduction of other forms of worship.
13. Although MacIntyre does not refer to sub-practices, the notion of core and sub-practices has already been developed in a church context (McClendon, 1997, p. 92).
14. This would also reinforce Middleton's (2009) findings in relation to the Salvation Army in Australia, where its reputation and external legitimacy survived child sexual abuse scandals.
15. This was probably by way of reference to the debate within the Church of England over whether women who, since 1994, have been ordained priests, could become bishops. This was resolved in 2014 with a vote in favour by the General Synod, and the first woman bishop was consecrated in January 2015.
16. Fresh Expressions is a UK-based initiative, "a form of church for our changing culture, established primarily for the benefit of people who are not yet members of any church" – see <http://www.freshexpressions.org.uk/>, accessed 12 August 2106.

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## **Appendix A Description of participating denominations**

**Anglican:** Modern Anglicanism is both episcopal and synodical in its governance. While it retains Bishops in Dioceses, the only formal exercise of primatial power which the Archbishop of Canterbury has is as convener of consultative instruments of the communion; he is devoid of juridical power, occupying a position more akin to a presidency. At the local level Parochial Church Councils are the local form of church government, sharing responsibility with the incumbent and church wardens. In between Parishes and Dioceses is a further intermediate structure of Deaneries, which are also synodically governed.

**The Assemblies of God** is a specific grouping of Pentecostal Churches which have taken denominational form. The movement owes much to the Pentecostal revival experienced in America during the early part of the Twentieth Century and finding formal expression in Britain in 1924. Pentecostal churches privilege an experiential theology. There is no overarching structure of church order. The individualism of interpretation is matched at the congregational level by the autonomous nature of the church order.

**The Baptist Association:** Baptist churches have been founded in the England since the 1640s. Baptists affirm liberty of each church to discern the mind of Christ for itself. While ministers, elders or deacons take the initiative in governance, it is the Church Meeting – a meeting of all church members – which makes decisions by consensus or formal vote. Independency is meant to be balanced by an interdependency which is reflected in the life of regional associations and a national union.

**The Roman Catholic Church.** Catholic self-understanding traces its lineage back to the first apostles through apostolic succession. Episcopally led, authority rests primarily with Bishops, on whom the fullness of the sacrament of orders and juridical authority is conferred by episcopal consecration. While hierarchical in structure, authority is not simply something possessed by an individual, but is shared in various grades of ministry; a participatory form of authority. This is underlined by the collegial nature of oversight operative in the Bishop's Council. As with Anglicanism, Deaneries operate between the Diocesan and Parish levels.

**Methodism:** Charles Wesley formed his first religious society, subsequently known as 'Methodist' in 1729, as part of the evangelical revival. The Church is non-conformist, and led by synod (Methodist Conference), not episcopal. Its key organizing principle is the Connexion – ministers are appointed to a circuit rather than individual churches. Circuits generally have fewer ministers than churches, and lay local preachers lead a majority of services. The Connexional principle ensures that societies have a global sense of priorities.

**The Salvation Army** opted for an episcopal form of government expressed in the language of the military. The adoption of a military style governance led to the commissioning, and later ordination of soldiers and officers. The hierarchy allows for daily decisive decisions to be made in a field of rapid mission engagement. It is well-known for its social action.

**The United Reformed Church** came into being in 1972 as the result of a union between the Congregational Church in England and Wales and the Presbyterian Church of England and is firmly rooted within the English dissenting tradition. It is led by synod. In local congregations, ministers of

word and sacrament share with elders in a ministry of leadership and pastoral nurture, and also in the decision-making processes of the wider councils of the Church.