

Institutionalization of the TWA industry and  
evolving institutional action:

possibilities to broaden the scope and solve  
lingering problems?

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# Theoretical perspective

Institutional action:

- Developing the organizational field (DiMaggio and Powell)
- Issue of legitimation (Suchman; Aldrich and Fiol)
- Institutional entrepreneurship (Fligstein)
- Institutional actors, interplay

# Institutional action in TWA industry

- $\Delta$  national context
- $\Delta$  over time
- Focus and framing, causes and consequences

# Differences in National context

- **Triggers for Institutional change (Industry establishment)**

Factors that set field formation and growth in motion

- Low pressure: latent possibilities and institutional voids (US/UK)
- High pressure: incompatible norms, explicit institutional entrepreneurship (NL)

- **Societal confidence**

Context for interplay of constituting actors

- Confidence that society will be able to contain the development of the emerging industry into a trustworthy and valuable member of society
- Context for interplay of constituting actors (societal experience with industry)

- **Power and discretion of the emerging industry**

Influence of field incumbents on the institutionalization process

- Maturation of the field itself and the influence of field incumbents on the institutionalization process
- Existence of internationally acceptable body of experience ('best practice')
- Societal requirements and expectations towards developing the field

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# Development of institutional entrepreneurship over time in NL

Before 1960 Illegal, black market, exploitation	1960s Acceptance of an unpopular industry, tolerated as provider as a last resort	1970s Establishment of voice	1980s Normative acceptance of the industry: useful tool of labor market policy	1990s Societal acceptance: TAW as acceptable alternative	2000s Industry dispersion?
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## Creating Voice

solution to tensions and gaps in existing institutional order  
("old logic") basic understanding and acceptance

## Building out the vision

Legitimation from inherent value "new logic"  
Building societally accepted self-sustaining system

<b>Problematization</b> Indicating problems with existing institutional order	<b>Envisioning</b> Presenting acceptable future state, dealing with institutional tensions	<b>Experimentation &amp; learning</b> Working within strict limits of societal acceptance.	<b>Defiance &amp; recalibration</b> Pointing out societal constraints & industry possibilities	<b>Institutional leadership</b> Presenting vision based on own professional expertise	<b>Maintenance &amp; adaptation</b> Institutionalized institutional maintenance...
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# Focus and framing in institutional action

- Focus and framing, unattended issues
  - Institutional entrepreneurship, careful framing contribution
    - cognitive and socio-political legitimacy
    - Action rationality
    - Harmless experimentation → economically consequential
    - Institutional immunity
    - Critical perspective power/knowledge
- What happens when the institutional project “comes of age?”
  - Maintenance
  - Dealing with the unattended?
  - Institutional extension?



# Case study

- Temporary Agency work in the Netherlands
  - Successful institutional entrepreneurship
    - Removal specific industry regulation 1998
    - TAW under regular labor law 1999
  - Finally TWA industry ‘treated as any other industry’
  - “Full institutionalization,” (cultural cognitive acceptance?)
- Two themes
  - Societal control industry
    - industry regulation
  - Temporary employment relationship
    - Regulation of the employment relationship
- International comparisons...

# Analyze the themes

- Framing of the issues during process of institutional entrepreneurship
- Unattended issues
- What happens when the institutional project “comes of age?”
  - Examples of institutional action, more than maintenance
  - Examples of institutional creation and extension
- What triggers / makes possible changes in focus and framing?  
A changing playing field?
  - Subject position, changing relationships in the field
  - Technical experience and capabilities
  - Institutional experience and capabilities

# Conclusion 1

Institutional action after institutional entrepreneurship:

Two kinds of dynamics:

- From positive experience (“pull”)
  - More cooperation → institutionally difficult terrain (training)
  - Trust and experience → putting regulation into perspective (reducing regulatory burden / “collective agreement police”)
  - Transparency and accountability → reintegration services
- Sobering experiences (“push”)
  - Relinquished control → growth illegal activities
  - People longer in temping positions → attention for training necessary

# Conclusion 2

Institutional development spawns novel context for behavior and action:

Further investigate changing focus and framing of institutional action

- $\Delta$  Actors' attitudes towards regulation
  - Control debate changed? (basic notion what should be regulated changed?)
    - About desirability (and controlling) of dealing in people (whether...)
    - About controlling illegal activities, because business model invites opportunistic activities / lure of easy money? (how...)
  - Temporary work not the exception anymore
    - Other regulatory issues become important (if temping becomes a job, need to attend to i.e. training)
- $\Delta$  Technical and institutional experience
  - Increasing transparency and accountability in structures and processes
  - What can usefully be regulated (collective agreement)
  - How to organize certification and enforcement
- $\Delta$  Technical and institutional context
  - Ability to address thorny issues (work out solutions, enforceable accountability)
  - Cultural-cognitive acceptance of temporary work

# Thank you

- **Learn from development in different countries:**
  - Different conditions, different developments
  - Variety in micro developments help to understand macro outcomes
- **Development of TWA industry in the Netherlands:**
  - Over time shift in institutional embedding of TAW en TWA industry
  - Position of TWAs changed, perception of TAW changed, opportunities for TWAs changed (Private Employment Agencies...)
  - Societally sensitive product: Volume of TAWs affected by economic cycles, but institutionalization ongoing process
    - Regulation, legitimation (societal confidence)
    - Experience with the industry (clients, labor market)
- **Focus and framing, causes and consequences**
  - Changing conditions for institutional action
  - Changes in focus an framing of institutional action
  - Dealing with the previously unattended (institutional pull, experience push)




# Development in different countries: Consequences of differences in development

	Autonomous development	Constrained development	Societalization
Countries:	UK / US	NL	Sw / Sp
<b>Factors influencing field formation</b>			
High / Low pressure field emergence	Low	High	High
Societal confidence (normative gap)	High	Low	Low
Congruence of experience (cultural-cognitive gap)	Congruent	Congruent	Experience Gap
Power emerging industry	Weak	Weak, growing over time	Strong
Discretion emerging industry	High, limited by reactive regulation over time	Limited, growing over time as industry matures	Limited, evolving under close scrutiny
<b>Resulting field characteristics</b>			
Regulation	Reactive regulation	Proactive regulation	'Inconsistent' regulation
Character industry	Fragmented	Concentrated	Concentrated
Industry identity	Fragmented, reactive convergence	Unified, strong national identity, increasing diversity	Fragmented national identity vs. International best practice
Early institutionalization	Driven by industry practice	Driven by societal need, i.e. tensions deinstitutionalization old order	Driven by political dynamic (reflecting process of societalization)
Industry maturation	Driven by societal reaction	Influenced by professionalized industry association	Regulatory role for professional industry association?

Source: Koene, 2006, 'situated human agency, IE and institutional context,' Journal of Organizational Change Management

# Institutional activities and contextual developments in the TWA industry over time

Phases	Problematization	Envisioning	Experimentation and learning	Defiance and recalibration	Institutional leadership	Maintenance and adaptation
CHANGING CONTEXT						
Broader environment	Technological and economic pressures on status quo	Tight labour market	High unemployment, acceptance of dual labour market	Market thinking, flexibility	Tightening labour market	Increasing opportunities for temporary labour
Societal confidence	Low	Low	Growing	Growing	High	Selective, distinguish legal from illegal agencies
Basis for legitimacy	None	Pragmatic	Pragmatic	Normative	Cultural-cognitive	Cultural-cognitive
INSTITUTIONAL ACTIVITIES						
Institutional activities – focal actor (ABU)	None	Present responsible variant of existing practice; illustrate technical viability; institutional bricolage	Experiment within and defend discretionary space; Leverage experience	Assert importance of role; Contest existing rules	Set norm and standards, show professional expertise	Monitor and neutralize disruptive initiatives; valorize and demonize Guard industry interests, influence public opinion
Institutional activities – other actors	Non-conformance, draw attention to gaps, create awareness	Set legal parameters, define acceptable practice	Continually test scope of novel activities	Accept new model, but attempt to embed in old institutional context	Support, embed and routinize	Evaluate, monitor etc.
Case examples	Illegal black market Fraud in social security payments and taxes Grey markets	ABU emerged to differentiate respectable TWAs Matching and placement Select friendly audiences (Only clerical & administrative staff) Government passes 1965 legislation	Collective bargaining with unions Unions divided over collective agreement ABU presents evidence of effectiveness of TWA 'formula' Legal battles over licensing requirements	Increasing role in labour market Function as stepping-stone to labour market Present as successful private alternative for PES	Professional support services (outplacement and reintegration) Promote industry self-regulation, shape 1999 flexicurity legislation 	Professional employment services Educate and train management and sponsor research for improving industry image