

University of Alberta

**Top Managerial Attention and Organizational Response to
Institutional Pressures**

By

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fulfillment of the requirement for the degree of Doctor of Philosophy

in

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ABSTRACT

This dissertation investigates the question: When and how does top managerial attention lead to substantive or symbolic organizational activity? The empirical context is coercive pressures for radical institutional change by the provincial government of Alberta on the full population of regional health authorities to adopt new practices in healthcare delivery (1994-2002). This involved a study of top managerial communications by public-sector top managers in response to government-identified healthcare priorities, and an investigation into the extent to which top managerial discourse compares with what organizations actually do. A two stage mixed-methods framework using both quantitative and qualitative applications of content analysis was adopted in this dissertation. I find that while the government raises several issues, top managers play an important role and determine whether organizations substantively respond, symbolically respond through pretence of compliance, or choose a mixed-response with elements of compliance and defiance. Also, I find that what top managers say, and how they say it, has predictive validity on what organizations do. Finally, I find that coercive pressures are not an adequate condition for a substantive organizational response if an issue is not perceived to be critical by top managers. The overall findings run counter to traditional institutional predictions by demonstrating empirically that top managers exercise substantive active agency even in strongly institutionalized contexts.

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CHAPTER 1: INTRODUCTION

Although institutional theory proposes that organizations respond to pressures from the government, professional associations, or industry leaders in symbolic (Meyer and Rowan, 1977) or substantive ways (DiMaggio and Powell, 1983), little research has differentiated between the two (exceptions include Basu, Dirsmith, and Gupta, 1999; Edelman, 1992; Fiss and Zajac, 2004; Oliver, 1991; Zajac and Westphal, 1995; Zbaracki, 1998). A substantive response is accompanied both by top managerial discourse supporting institutional directives and by concrete actions such as “budgetary allocations” and “resource allocations” (Pfeffer, 1981). Instead, a symbolic response to institutional directives has the “appearance of action without the substance” (Ashforth and Gibbs, 1990: 181-182). That is, top managerial discourse is evident but there is no accompanying impact on resource or budgetary allocations. For example, Fiss and Zajac (2004) study the effect of institutional pressures on a shareholder value orientation in German firms. They find that while top managers of firms indulge in much discourse on how important and valuable a shareholder value orientation is, this discourse is not related to concrete changes in organizational governance and does not reflect either in managerial compensation rewarding a shareholder value orientation, or in the adoption of accounting practices that show a shareholder value orientation. They conclude that the response of German firms to a shareholder value orientation was symbolic because it led to top managerial talk but to insufficient concrete action. Much research de-emphasizes symbolic

content of organizational responses and assumes that responses are largely substantive (Hambrick, Finkelstein, Cho, and Jackson, 2005a).

As a result, although symbolic and substantive responses are distinct, differences between symbolic and substantive responses remain under-specified. Powell (1985: 566) proposes that “the key theoretical question (in institutional theory) is whether these institutional pressures result in cosmetic changes, or surface isomorphism, or whether they are more significant and have an impact on such key issues as budgetary and staff allocations.” This point is again emphasized by Oliver (1991: 155) who argues that “the distinction between appearance and reality is a theoretically important dichotomy” in institutional theory. Similarly, Scott (2001: 211) asks institutional theorists to study “why some organizations react in more superficial or more in-depth ways to externally imposed rules and beliefs.” In a recent critique on institutional theory, Hambrick et al. (2005a) find that institutional pressures do not cause organizations to change. They believe the predictions of substantive responses to institutional pressures are misleading and speculate these have occurred as “very few (scholars) have focused on what could be called symbolic organizational characteristics” (Hambrick et al. 2005a: 316).

Even when the symbolic aspects of organizational responses have been articulated, it has been done in isolation of substantive aspects (a notable exception is Zbaracki, 1998). This is problematic as the management of organizations has both symbolic and substantive components (Pfeffer, 1981).

Following Pfeffer's (1981) advice, this study develops the argument that the analysis of what organizations do must be studied for both what is said in the communications but not implemented (symbolic response), and what is said and also implemented at a concrete level, examples being "budget allocations" (Pfeffer, 1981: 8) and "resource allocations" (Pfeffer, 1981: 5) on an issue (substantive response). From this perspective, the analysis of top managerial discourse and the investigation into its relationship with what is concretely done by organizations becomes central to understand the content of symbolic and substantive organizational responses. The argument being developed here is not far from Meyer and Rowan's (1977: 360) advice to investigate "the impact of decisions of organizational managers, in planning or altering organizational structures" in the face of institutional pressures for change.

A future role for top managers in institutional theory is also proposed by Oliver (1991), which remains, to date, the most complete framework on how organizations respond – both symbolically and substantively – to institutional pressures. Oliver (1991: 172) acknowledges that her framework does not consider top managerial cognition and proposes that future scholarship should investigate "CEOs and managers' reasons for conformity or resistance" to institutional pressures. More recently, Arndt and Bigelow (2000: 514) urge a study of "intentions of decision makers" in articulating organizational responses; Edelman, Fuller and Mara-Dritta (2001: 1633) urge that "future scholarship should address the relationship between managerial rhetorics... and

organizational practices”; and Green (2004: 664) points out that a “critical area for future research concerns the relationship between (managerial) rhetorics and outcomes.”

Motivation for Research

Issues relating to organizational responses to institutional pressures have long intrigued me. My work experiences in the military make me mindful of how organizations may respond to external directives in symbolic ways. For example, I have experienced how the government’s advice to make technology central to the military training curriculum led to eloquent statements by senior military officials approving the new curriculum and the creation of committees to examine how technology could be more central. Nonetheless, these served as symbolic landmarks to demonstrate compliance to directives from external inspection agencies such as government auditors. Not surprisingly, the essence of training remains exactly as it was five decades ago, still focusing on physical training and maintaining camaraderie, with minimal acceptance of technology’s importance. Although one may be tempted to accept statements by senior military officials or the creation of some new curriculum as evidence of substantive compliance to institutional pressures, as I shared in the above example based on my personal experience in the military, we might be misinterpreting organizational responses by confusing symbolic organizational activities with substantive organizational activities.

In pursuing this interest, I was drawn to some emerging scholarship within institutional theory which uses the lens of attention to study how organizations, or even the entire industry, respond to institutional pressures across symbolic and substantive dimensions (see Edelman et al. 2001; Edelman, 1992; Hoffman and Ocasio, 2001; Nigam and Ocasio, 2005). An attention lens emphasizes the cognitive dimensions of institutional theory, with specific reference to the role of actors who are sometimes “constrained by the institutional contexts...and sometimes able to alter those contexts” (Fligstein, 1991: 315). An attention lens to study organizational responses is useful and distinct from other approaches within institutional theory which study responses of organizations across symbolic and substantive dimensions in an important way. This approach recognizes that organizations may exercise some agency and choice, elements that are inadequately addressed in institutional theory (DiMaggio, 1988; Greenwood and Hinings, 1996; Hirsch and Lounsbury, 1997; Seo and Creed, 2002). As the environments in which organizations operate are complex, constantly changing, and often impose contradictory demands (Bourgeois III, 1984; Friedland and Alford, 1991), top managers of an organization selectively pays attention only to some issues (Ocasio, 1997). As per this approach, top managers are the “most critical players” who play the “entrepreneurial function in the allocation of attention in organizations” (Ocasio, 1997: 197). This explicit mindfulness to the role of actors, such as its top managers, is not a focus of most institutional frameworks.

Gap in this Conversation in Institutional Theory

While an attention lens in institutional theory provides a distinct way to study symbolic and substantive organizational responses to institutional pressures, it falls short in one area. Previous studies have not articulated whether or how “top managerial attention” (D’Aveni and MacMillan, 1990; Dutton and Jackson, 1987; Simons, 1991) to institutional pressures translates into symbolic or substantive organizational activity. This may be due, in part, to the emphasis in previous studies being at the macro level; attention has been studied at the level of the industry (Hoffman and Ocasio, 2001; Nigam and Ocasio, 2005) or organization (Edelman, 1992). While the role of attention is central to Ocasio’s work, it is less so in Edelman’s work.

My work differs from extant work which uses attention in institutional theory in two ways. First, it explicitly relates organizational responses to top managers (Hambrick and Mason, 1984), thereby making top managerial attention and top managerial discourse central to understanding organizational responses. This follows calls by several institutional scholars (Edelman et al. 2001; Green, 2004; Oliver, 1991). And second, it studies the possibilities of both responses within one framework as opposed to Edelman who focuses singularly on symbolic responses, or Ocasio who assumes that these responses will be substantive. This is consistent with Pfeffer’s (1981) advice to study both the symbolic and substantive simultaneously.

Top Managerial Attention (TMA) refers to the mindfulness of “top managers” (Hambrick and Mason, 1984) such as CEO and Board Chair towards select issues. TMA is normally evidenced in organizational corporate communications such as annual reports. As top managers have limited time, they selectively attend to some issues. For example, one plausible explanation for the Challenger space shuttle disaster is that, in the weeks preceding the launch of the Challenger shuttle, TMA at National Aeronautics Space Agency (NASA) was selectively directed towards the politicians who wanted to launch the shuttle without further delay. However, top managers ignored the warnings about the O-Rings raised by the engineers. This led to the disaster (Starbuck and Milliken, 1988). Implicitly, TMA is selective and leads to organizational activity (D’Aveni and MacMillan, 1990; Green, 2004; Ocasio, 1997).

Within an institutional framework, Edelman et al. (2001) get closest to focusing on the potentially key role of TMA in organizational responses. They argue that managers make sense of and modify the meaning of institutional expectations. Edelman et al. (2001: 1597) propose “managerial attention” and “managerial rhetorics” serve as the organizational mechanism in interpreting institutional pressures. However, while Edelman et al. (2001) explicitly recognize the functional importance of TMA, they do not examine whether or how TMA affects organizational activities. This remains a key gap in the theory. This gap is evidenced even in the top managerial literature which does not explicitly examine whether or how attention of top managers translates into symbolic or substantive

activity (D'Aveni and MacMillan, 1990; Ocasio and Joseph, 2005; Simons, 1991). However, TMA may not always result in organizational attention. These differences between TMA and organizational attention remain implicit but are not elaborated upon (Edelman et al. 2001; Ocasio and Joseph, 2005). Such potential disconnects between top managerial decisions and organizational activity have been recognized as early as by Cyert and March (1963) who proposed to study it as the fourth sub-theory of “A Behavioral Theory of the Firm” but did not develop it in their book (only the first three were developed).

Research Question, Empirical Site, Methodology and Key Findings

The above gap in the literature drives my research question: When and how does TMA lead to substantive or symbolic organizational activity? The empirical context in which this question was studied is that of strong coercive pressures from the government in the radically restructured (and geographically defined) organizational field of healthcare in Alberta over the period 1994-2002. By organizational field, I mean an arena in which a group of organizations frequently interact with each other. It includes similar organizations, suppliers, customers, professional associations and regulatory authorities (DiMaggio and Powell, 1983). By a radically restructured field (Reay and Hinings, 2005), I mean a fundamental shift in the values and priorities by the government to follow a new model driven by better efficiencies (administrative efficiency), keeping

people healthy (wellness) as opposed to treating the ill, and caring for people in home or community settings as opposed to hospitals (home/community).

A major wave of restructuring in 1993 under the Progressive Conservative government in the province of Alberta led to the disbandment of approximately 200 hospital and health unit boards, and the creation of 17 regional health authorities (RHAs) with new government-appointed boards. These 17 RHAs continued to exist until 2002 when a second wave of reforms in Alberta led to additional downsizing, further reducing the number of RHAs to nine.

My sample comprises the Alberta Government (i.e., Alberta Health and Wellness) and the full population of 17 RHAs over this nine-year period (1994-2002). Alberta Health and Wellness (AHW) is the institutional authority with coercive powers because it controls the budgets and set standards for activities in the RHAs. AHW has legislated control over RHAs. AHW approves the business plans and annual reports published by the 17 RHAs, it provides direction on the provincial mandate for healthcare, and it evaluates RHA activities.

The data used for investigating the question includes corporate communications such as annual reports, reports by government-appointed committees, updates to citizens and so forth, which were published by the government and the full population of RHAs in Alberta between 1994 and 2002. In addition, two data sources produced by independent sources – newspapers and Auditor General (AG) of Alberta – were analyzed to enhance the credibility of findings through data triangulation (Jick, 1979). Quantitative and qualitative

applications of the methodology of content analysis (Krippendorff, 2004; Miles and Huberman, 1994; Weber, 1990) were used for data analysis in a two-phase research design, starting with deductive theory-testing of four hypotheses in Phase 1 and followed by theory-elaboration using mixed methods in Phase 2.

The empirical context was suitable for three reasons. First, this is an extreme case as the organizations are facing coercive pressures from the government (DiMaggio and Powell, 1983) to substantively comply with their directives. Hence, any evidence of elements non-compliance should be theoretically interesting considering that coercive pressures for change are forceful and theorized to lead to substantive change (Lawrence, Winn and Jennings, 2001; Oliver, 1991). Moreover, organizational responses to coercive pressures remain under-studied (Mizruchi and Fein, 1999). Strong coercive pressures were evidenced in this empirical setting by a single focal authority with legislated power (i.e., the government) that made several top managerial appointments; determined priorities; fired top managers in times of poor performance; determined financial allocation; and on an occasion disbanded subordinate organizations perceived to be non-compliant and deviant. Thus the power and authority of the government upon subordinate organizations was not only legislatively mandated, but also forceful in content. Second, a study of the question was empirically feasible in this setting through the analysis of formal corporate communications such as annual reports and business plans published on an annual basis, both by AHW and by RHAs. The availability of these data

facilitated both a study of coercive pressures through the analysis AHW documents, and a study of top managerial discourse and organizational activities through the analysis of documents published by RHAs over a longitudinal period (1994-2002). Third, the data-set has data across multiple levels of analysis including the institutional, top managerial and organizational levels.

At the broadest level, I find strong support for three of four hypotheses and modest support for one hypothesis that investigates the relationship between TMA and organizational activity. Stated simply, what top managers say and how they say it has predictive ability on what organizations actually do. These findings strongly support a role for top managers in institutional theory. I also find evidence of both substance and symbolism in organizational responses. Although theory would predict a substantive response from the RHAs in the face of coercive pressures, I do not find this to be entirely the case. Acquiescence should occur as compliance with institutional expectations reduces the need to cognitive processing by managers and increases access to resources (Phillips, Lawrence, and Hardy, 2000). However, I find the response of RHAs to the expectations of AHW vary from issue to issue. Some issues received a substantive response characterized by high TMA and substantive organizational activity (administrative efficiency); others received a symbolic response characterized by high TMA but low organizational activity (wellness); and yet other issues (home/community) received a mixed-response characterized by actions both in support of and contradictory to AHW's priorities.

Contributions

This dissertation makes a few contributions to theory and methodology. First, an explicit focus on TMA and the exercise of strategic choice augers well as it brings actors right to the heart of institutional theory, something that has been advocated by several researchers (DiMaggio, 1988; Friedland and Alford, 1991; Greenwood and Hinings, 1996; Hirsch and Lounsbury, 1997; Oliver, 1991, 1988; Reay, Golden-Biddle, and Germann, 2006). One way to address this gap is through an explicit focus on how organizations, through their “dominant coalition” (March and Simon, 1958), namely its top managers, interpret institutional pressures, develop strategies for their organizations, and maneuver organizational activity. This addresses some recent calls in institutional theory (Edelman et al. 2001; Green, 2004; Oliver, 1991). While many theorists (e.g., DiMaggio and Powell, 1991) espouse the importance of the cognitive element in institutional theory, almost no one studies it empirically.

Second, this study contributes to the top managerial and attention-based literatures by examining the validity of a long-standing assumption – TMA leads to substantive organizational activity – in organization theory and strategy that has rarely been tested directly (D’Aveni and MacMillan, 1990; Dutton and Jackson, 1987; Hambrick and Mason, 1984; Ocasio, 1997). I find that top managers really matter and their attention determines what gets done in organizations. I therefore argue that the “romance of leadership”, or the crucial role of top managers, is not mythical as proposed by its detractors (e.g., Meindl,

Ehrlich, and Dukerich, 1985). In addition to empirically establishing the untested assumption that greater TMA will be associated with greater organizational activity, I develop a typology of two top managerial rhetorics – assertions and validation – that are associated with differing levels of organizational activity. Assertions lead to low structural elaboration (planning) and occur in times of low issue criticality despite high institutional attention, while validation leads to high structural elaboration (resource allocation) and occurs in times of high issue criticality regardless of whether or not institutional attention is high in content. The development of these two types of rhetoric not only make intuitive sense but also help us to recognize that the outcomes of TMA can be heterogeneous, varying in terms of their implications on organizational activity. This distinction, therefore, contributes important insights to our understanding of discourse and its effects on organizational activity (Green, 2004; Phillips et al. 2004).

Third, a study of both symbolic and substantive content in one framework follows Pfeffer's (1981) recommendation. Not only is our understanding of symbolic and substantive responses to institutional pressures inadequate, but we know little about how and why these responses unfold in organizations. As a matter of fact, there has been very little concrete research done on symbolic actions in organizations apart from some early work in the organizational culture literature. By drawing upon Pfeffer's (1981) advice, this study develops the integration of institutional theory and attention-based theories of organizations (Ocasio, 1997) and tests it in a longitudinal study across multiple levels of

analysis and cases. Attentiveness to how organizational change unfolds over time and levels has been recommended by experts (Dacin, Goodstein, and Scott, 2002; D'Aunno, Alexander, and Succi, 2000).

Fourth, this study elaborates on the neglected role of “episodic” or temporary types of legitimacy (Suchman, 1995). A careful reading of Suchman (1995) reveals that, while there is a role for both “episodic” and “continual” types of legitimacy, less attention has been paid to how episodic types of legitimacy affect organizational responses. This study develops the argument that organizational support, albeit temporary, may be given even when institutional norms have not been taken for granted. The study substantiates the role of one such type of episodic legitimacy, “comprehensibility” (Suchman, 1995), to describe how top managerial support for institutional expectations may occur even without specifics, or being taken for granted, as long as the issue appears plausible and actionable. Also, early years of change might see rapid shifts in legitimacy and organizational moves to correct the consequences of these shifts. This finding addresses and empirically elaborates upon Suchman’s (1995: 584) suggestion: “Although the literature to date has rarely invoked such fine-grained distinctions (between episodic and more continual/permanent forms of legitimacy), they are not trivial.”

In addition to the contributions to theory, my dissertation makes a methodological contribution with specific reference to how content analysis (Krippendorff, 2004; Neundorf, 2002; Weber, 1990) of formal corporate

communications can be used for theory elaboration. We develop protocols of content analysis that explicitly link research methodology to theory-elaboration (Sonpar and Golden-Biddle, 2007), an area that experts find to be particularly lacking in qualitative research (Gephart, 2004; Hitt, Gimeno, and Hoskisson, 1998).

Structure of Dissertation

The subsequent chapters are organized as follows. Chapter 2 discusses the literature on institutional theory and attention-based theories and develops hypotheses. Chapter 3 describes the methodology of the study. Chapter 4 discusses the results of Phase 1 of the study. Presentation of results of Phase 2 follows in Chapter 5. Chapter 6 concludes the dissertation.

CHAPTER 2: LITERATURE REVIEW

The key objectives of this section are to review, integrate, and develop the literature that discusses organizational responses to institutional pressures across symbolic and substantive dimensions. The principal motivation of this chapter is to describe current state of institutional theory on symbolic and substantive responses by organizations and to develop a few testable hypotheses on when and how TMA and top managerial rhetorics affect organizational activity.

Institutional Theory

The new institutionalism in organizational analysis (institutional theory in this document) draws upon Berger and Luckmann (1966: 17) who propose that the central question for sociology is to understand “how subjective meanings become objective facticities”. As a sociological approach, institutional theory is fundamentally interested in explaining how conventions get taken for granted by organizations and lead to similarities between them. The theory proposes that organizations within a field interpret pressures for conformity to externally determined norms from the government, professional associations, and other high-status organizations. Conformity with institutional expectations leads to homogenization amongst organizations and is defined as isomorphism. Isomorphism occurs even if it might lead to suboptimal performance as it legitimates an organization. (e.g., Dacin et al. 2002; Deephouse, 1996; DiMaggio

and Powell, 1991, 1983; Hoffman, 1999; Meyer and Rowan, 1977; Oliver, 1991; Scott, 1995, 1987; Tolbert and Zucker, 1996).

Consistent with Oliver (1991: 152), the emphasis of this dissertation is on the extent of compliance to institutional pressures, or in other words, the extent of “conscious obedience to or incorporation of values, norms, or institutional requirements”. Such compliance is said to occur due to mimetic, normative and coercive pressures (DiMaggio and Powell, 1983). Similarly, Scott (1995: 33) suggests that “institutions consist of cognitive, normative and regulative structures and activities that provide stability and meaning to institutional behavior.” That is, institutional myths become rife and conventions get accepted due to any of these three structures, with the cognitive pillars having mimetic effects, normative pillars having normative effects, and regulative pillars having coercive effects (Lawrence, Winn and Jennings, 2000).

Of specific relevance to this dissertation is the role of regulative structures, in other words, the extent to which coercive pressures by the government effect responses of subordinate organizations. These regulative structures, such as government, use tactics of coercion through the passage of regulations and the use of reward and punishment strategy to ensure compliance. This type of enforcement can be seen as an extension of the Weberian notion of “rational-legal legitimacy” and are understood as coercive pressures in the literature (Dobbin and Dowd, 1997; Edelman, 1990; Scott, 2001). While there is a role for each of the three types of institutional pressures – coercive, mimetic,

normative – in affecting organizations, Mizruchi and Fein (1999: 653) highlight that “disproportionate” attention has been paid by scholars to the mimetic, while less attention has been paid by scholars to coercive and normative effects. They further point out that content related to coercive pressures remains under-developed even in DiMaggio and Powell’s (1983) seminal work. A study of organizational responses to coercive pressures is not only important due to the limited attention to it but also because they are theorized to lead to substantive responses (Oliver, 1991; Lawrence et al. 2000).

As institutional pressures are exerted by “forces that lie beyond organizational boundaries” (Hoffman, 1999), it has led theorists to conclude that structures of organizations are reflections of generalized myths of the environment as opposed to rational choices based on their unique needs (DiMaggio and Powell, 1983). Specifically, the theory emphasizes the role of the organizational field as an “increasingly useful level of analysis” (Reay and Hinings, 2005: 351) for institutional theory. While researchers have begun addressing questions related to the emergence, persistence, deterioration, and dissolution of organizational fields (Greenwood et al. 2002; Hoffman, 1999; Lounsbury, 2002; Reay and Hinings, 2005; Scott et al. 2000; Suddaby and Greenwood, 2005; Washington, 2004); the constraining effects of fields upon organizations is almost taken for granted. Some studies that have explicitly studied how organizations respond to expectations within a given organizational field, either due to normative or regulatory pressures, do not find it as

constraining or deterministic as predicted in theory (Hambrick et al. 2005a; Kraatz and Zajac, 2001; 1996; Oliver, 1988; Westphal and Zajac, 2001).

Hambrick et al. (2005a) categorically propose that the evidence of organizational conformity to institutional pressures might have occurred because some previous studies confuse the symbolic with the substantive.

This recent advice by Hambrick et al. (2005a) reiterates an ignored agenda in institutional theory dating back to the focal essays by Meyer and Rowan (1977) and DiMaggio and Powell (1983). Meyer and Rowan (1977) proposed that organizations need to demonstrate compliance with institutional expectations. So, they are required to respond in ways which prove that (1) they understand environmental complexity; (2) they are following institutional guidelines; and (3) these institutional guidelines actually work. Therefore, the formal structures of many organizations in the post industrial society reflect the myths of their institutional environments instead of the technical demands of their work. However, what surprised Meyer and Rowan (1977) was the symbolic and ceremonial pretence of compliance with institutional expectations.

Of the six propositions proposed by Meyer and Rowan (1977), propositions 4 through 6 explicitly focus on aspects related to causes and consequences of ceremonial compliance. Proposition 4 explains how organizations decouple structures from activities to hide the pretense they are putting up (p. 357). Proposition 5 elaborates on how organizations maintain a “ceremonial façade” (p. 358). Proposition 6 describes how organizations work

towards minimizing “inspection and evaluation” by internal or external agencies as a ceremonial façade is sufficient both for the organization and for the institutional agencies (p. 359).

DiMaggio and Powell (1983: 147) retain Meyer and Rowan’s (1977) focus on compliance and articulate that “what makes organizations so similar” is the central question of institutional theory. However, they shift the emphasis away from ceremonial or symbolic activities and instead focus on substantive and concrete actions. A careful reading of DiMaggio and Powell (1983) reveals that all 12 hypotheses proposed relate to substantive change with no mention of ceremonial pretence or decoupling to hide inconsistencies. The dominant body of subsequent work follows DiMaggio and Powell’s (1983) focus on substantive compliance as opposed to Meyer and Rowan’s (1977) emphasis that such compliance was symbolic pretence.

Mizruchi and Fein (1999: 654) highlight that classics, more so in the social sciences, become social constructions and get taken for granted. They are “often cited without being carefully read (or read at all)” (parentheses in original). Using Mizruchi and Fein’s (1999) analogy, one may argue that a disconnect has occurred in institutional theory where much scholarship has selectively focused upon conformity within a field, but neglected how this conformity might just be ceremonial pretence and symbolism. Meyer and Rowan (1977: 340) had very clearly argued that “many organizations adopt them

(institutional myths) ceremonially”. The next section develops differences between symbolic and substantive responses.

Symbolic and Substantive Responses

A limited number of studies in institutional theory have distinguished between substantive and symbolic responses to institutional pressures (see Basu et al. 1999; Carruthers and Espeland, 1991; Dobbin and Sutton, 1998; Edelman, 1992; Fiss and Zajac, 2004; Oliver, 1991; Sutton and Dobbin, 1996; Sutton, Dobbin, Meyer, and Scott, 1994; Westphal and Zajac, 2001, 1994). At the broadest level, symbolic responses are characterized by organizational statements that support policies raised by institutional authorities but lead to little action. Hence, they are ceremonial and superficial in content, generally with the intent of misleading external constituents. Several studies (Meyer and Rowan, 1977; Edelman, 1992) have pointed out that symbolic organizational responses are often adequate for support by institutional agencies. In contrast to symbolic responses, substantive responses are not only accompanied by statements supporting institutionally-defined policies but also by tangible actions such as changes in budgetary or staff allocations (Pfeffer, 1981; Powell, 1985). Hence, these responses lead to concrete changes at the operational level of an organization and are undertaken to improve performance or “organizational efficiency” (DiMaggio and Powell, 1983; Oliver, 1991). Oliver (1991) argues that both symbolic and substantive responses lead to increased legitimacy.

Although symbolic and substantive responses are quite different, disentangling them through empirical research is difficult (Pfeffer, 1981) because organizations behave in very confusing and inconsistent ways (Cyert and March, 1963; Gouldner, 1954; March and Simon, 1958; Perrow, 1961; Thompson, 1967). Much scholarship in the last five decades (e.g., March and Olsen, 1956; Meyer and Rowan, 1977) indirectly critiques Weber's conceptualization of bureaucracies in which organizations are seen as well-organized and tightly-coupled entities that adopt formal planning to make decisions, formalized structures to coordinate activities, rules and regulations to facilitate decision-making, and impersonal decision criteria in making choices. That is, while bureaucracies were seen as an efficient organizational form by organizations and ceremoniously adopted, empirical studies found this form to be a theoretical artifact as the complete adoption of the bureaucratic organizational form seldom occurred in organizations (e.g., Gouldner, 1954; Weick, 1976). Two broad explanations for subversion of bureaucracies and inconsistent behaviors by organizations were: (1) powerful coalitions within an organization subverted official goals and plans in case it interfered with their self-interests (Selznick, 1957); and (2) environmental complexity and environmental contradictions were found to lead to loose coupling among structures and activities (March and Olsen, 1956; Weick, 1979, 1976).

A well-cited example in the literature on the subversion of bureaucracies is Gouldner's (1954) book on gypsum mines. The book explains how the new

manager of the gypsum mines was unsuccessful in enforcing an ideal bureaucracy because it led to low morale and active resistance by workers. Eventually, a compromise was reached where a “mock bureaucracy” of sorts was implemented in the mines. For example, while “no smoking” signs were put in the mines so as to conform to demands for safety by external inspectors, management turned a blind-eye to smoking by workers. This example points to how policies might be created but not enforced. It also points to the limitations of formal authority in enforcing rules (Hallett and Ventresca, 2006). Gouldner’s (1954) study is one of the earliest examples on how organizations may ceremoniously speak about issues and create policies, but not implement them.

These early discussions also began focusing on how pressures from an organization’s external environment created contradictions within an organization’s formal structure. High periods of environmental uncertainty, such as radical restructuring of an organizational field as being used in this study, are accompanied by greater attention to external pressures (see proposition 2.4 in Chapter 2, Thompson, 1967). These periods should also lead to greater corporate planning. However, studies as early as Perrow (1961: 855) urge scholars to differentiate the “official goals” of an organization from its “operative goals”. He argues that while we mostly focus on studying “official goals”, it is the “operative goals” that reveal “what the organization is actually trying to do, regardless of what the official goals say are the aims.”

However, there are some detractors who propose that all management is inherently a symbolic activity, and that it is difficult – and at times unhelpful – to articulate differences between the symbolic and the substantive (Goldner, Ritti, and Ference, 1977; Feldman, 1986; Pfeffer, 1981). Nevertheless, Pfeffer (1981: 1) acknowledges that the analysis of management must be studied at both the “substantive level” and the “symbolic level”. Pfeffer (1981: 6) also draws our attention to the fallacy to “confuse or mix” the two. He proposes that this confusion has occurred because scholarship occurs independently at two levels. At the first level are cognitive scholars (Weick, 1979) who focus on the symbolic and intangible elements and emphasize the role of language and symbols. The thrust, here, is “essayistic” and “conceptual” with little emphasis on measurement (p. 3). At the second level are the more traditional scholars who have ignored symbolic aspects and focus on the substantive actions with an emphasis on measurement (Pfeffer and Salancik, 1978). While both approaches are needed within the same framework to understand organizational responses, they are generally studied independently.

The primary type of response discussed by institutional theorists are substantive responses (e.g., Deephouse, 1996; Palmer, Jennings, and Zhou, 1993; Tolbert and Zucker, 1983; Westphal, Shortell, and Gulati, 1997). An influential example in the literature is the study by Tolbert and Zucker (1983) on the diffusion of the Civil Services Reforms (1880-1935) in 167 cities in the United States. They find evidence of a strong coercive effect in that when these reforms

are “required by the state, they diffuse rapidly and directly from the state to each city” (p. 22). In contrast, when these reforms are not strongly mandated or legitimated by the state, the adoption (and diffusion) of these reforms is slower. They define adoption as the “passage of any legal requirement for the institution of civil services procedures” (p. 27). That is, if the city passed any regulation, it was assumed that the departments in the city substantively and concretely changed in response to regulations. However, there is an assumption that the passage of regulation implies its active enforcement on important parameters.

Let me now share an example on how statements on adoption of reforms might not lead to any substantive or concrete changes. While it is not my intention to doubt the rigor or veracity of Tolbert and Zucker’s (1983) influential work, it is important to distinguish substantive from symbolic responses. Perhaps the clearest empirical account of symbolic behaviors in response to regulations, deemed as coercive pressures, is provided by Edelman (1992, 1990). Edelman (1992: 1547) measured “organizational attention” and structural elaboration in response to the 1964 *Civil Rights Act* across 346 organizations. The *Civil Rights Act* mandates equal employment opportunity and affirmative action (EEO/AA) to address historical imbalances in employment. Edelman (1992) finds that organizational response to laws were largely symbolic and explains how environmental complexity, legal ambiguity, and inadequate enforcement of laws offer organizations with the opportunity to strategically attend to or act upon those laws. She explains that although the laws mandated the end of

discrimination, the Act “does not define the term most central to the law (discrimination)” (p. 1536). Edelman (1992: 1535) alludes to how organizations sometimes resist acting upon these laws as “it infringes upon managerial discretion” and is seen as “requiring inefficient and irrational business practices.”

In empirically testing organizational responses to the coercive pressures, she proposes that organizational attention to EEO/AA issues is said to occur when an organization creates a “special office for EEO/AA” and “formal rules proscribing discrimination.” However, of the 346 organizations that she studied, only 64 organizations created a “special office for EEO/AA.” Of these 64 organizations, 5 organizations never created rules; rules are missing or unavailable in 13 organizations; 16 created rules first; 18 created offices first, and 12 created both offices and rules simultaneously. Edelman (1992: 1565) concludes that “the existence of one structure does not affect the formation rate of the other.” The point to be emphasized here is, even when organizations pretend to comply with certain regulations, this might be largely symbolic.

The most influential work on symbolic and substantive aspects of organizational responses was proposed by Oliver (1991). She proposes a typology of five responses: acquiescence, compromise, avoidance, defiance, and manipulation. Oliver (1991: 159) explains that strategic responses “will depend on why these pressures are being exerted, who is exerting them, what these pressures are, how or by what means they are exerted, and where they occur.” While acquiescence and compromising are about substantive conformity,

defiance and manipulation represent responses that refuse to cower to institutional pressures. The third response, that of “avoidance”, is similar to Meyer and Rowan’s (1977) emphasis on symbolic responses. Oliver (1991: 154-155) explains avoidance through activities such as “buffering”, “window dressing”, “concealment”, “ceremonial pretense”, and “symbolic acceptance.”

Other prominent work on symbolic aspects of behavior has been done in the institutional literature by Zajac and his colleagues (e.g., Fiss and Zajac, 2006, 2004; Westphal and Zajac, 2001, 1998, 1994; Zajac and Westphal, 1995). In these studies, the authors argue how sociopolitical factors in general – and power specifically – impact which issues lead to substantive responses and which ones lead to symbolic responses. For example, Fiss and Zajac (2004) find evidence of symbolism, defined as inconsistency between what is said and what is done by organizations. They explain how organizations decouple their structures from activities to hide these inconsistencies, and find that decoupling is less likely to occur when firms are dealing with powerful external actors. In some earlier work, Westphal and Zajac (2001) show how power and interests of top managers might influence what organizations do.

--- INSERT TABLE 2.1 AND FIGURE 2.1 ABOUT HERE ---

With specific reference to how organizations will respond to coercive pressures from the government in times of radical restructuring, the closest prediction from an institutional standpoint can be inferred from Oliver’s (1991) framework which has received much empirical support (Goodstein, 1994;

Ingrams and Simons, 1995). Oliver (1991: 160) proposes that organizational responses to institutional pressures can be predicted by five factors: namely cause, constituents, content, control, and context. In reference to my study, the interpretation of a substantive organizational response can be made with specific reference to Oliver (1991). This is presented in Table 2.1 and Figure 2.1 (a). First, the cause behind shifts in healthcare in Alberta is both legitimacy and efficiency; and either in itself is sufficient to lead to a substantive organizational response. Second, the predictive constituents are the government and residents of Alberta. As the RHAs are akin to public-sector organizations, the government needs to incorporate concerns of its residents and the RHAs do not face many contradictory pressures. Hence, it is reasonable to argue that this should also lead to a substantive organizational response. Third, the content of goals cannot be inferred as yet, because this can only be validated through the empirical study. Also, I suspect this dimension is less relevant to my study because the RHAs were newly formed, and hence, the issue of whether institutional goals were consistent with previous goals is defunct. Fourth, the control exercised for conformity by RHAs to institutional expectations is coercion, which should lead to a substantive organizational response. And finally, the context is high uncertainty due to radical restructuring of the organizational field and high interconnectedness of RHAs with their institutional environment of healthcare in Alberta. These would again predict a substantive organizational response. Based

on the elaboration of Oliver (1991), an institutional prediction will be a substantive response.

While the prediction of a substantive response to coercive pressures is clear, the extant theory is “not intended to focus our attention on temporal issues” (Lawrence et al. 2000: 629). Lawrence et al. (2000: 628), for example, argue how “coercive pressures emanating from the state might happen more quickly...or slowly.” However, considering that deinstitutionalization (Oliver, 1988) of past practices is not easy, and healthcare is an institutionalized field, the prediction of institutional theory will be on gradual compliance to institutional pressures (Green, 2004; Greenwood et al. 2002; Suchman, 1995; Tolbert and Zucker, 1996, 1983; Westphal et al. 1997). For example, Greenwood et al. (2002) have argued that institutional change is accompanied by five steps: environmental jolts, deinstitutionalization, preinstitutionalization, theorization, diffusion, and reinstitutionalization. The decision for radical restructuring of the field may be considered as the environmental jolt which should subsequently be followed by a gradual process of deinstitutionalization and the gradual adoption of practices. This prediction of substantive compliance to coercive pressures is also supported by DiMaggio and Powell’s (1983: 155) framework which develops the argument that greater dependence on a singular source for support (e.g., in this case, government) leads to greater compliance (see Hypothesis B1), as also greater transaction with the government leads to greater compliance (see Hypothesis B2).

Initial years of radical restructuring of an organizational field will see limited mimicry due to both strong coercive pressures, as well as the absence of successful stereotypes. Pressures for mimicking other organizations in the field can occur only when successful and legitimate exemplars exist (DiMaggio and Powell, 1983). Thus, the explicit focus here is on coercive pressures for compliance. Coercive pressures are relevant for this study since it specifically focuses on how the state coerces compliance. Coercive pressures by the government, in this case a single institutional agency with formal authority (Scott, 1987), are theorized to be the strongest of all pressures and should minimize other influences.

Integrating Institutional Theory and Attention-Based Theories

A common criticism against institutional theory is that it presents a “passive and oversocialized” view of how organizations respond to institutional pressures because it ignores the role of actors and agency (Fligstein, 1991; Friedland and Alford, 1991; Green, 2004: 653). While Oliver (1991) contributes to our understanding of organizational responses to institutional pressures, she urges future scholarship to relate organizational responses to top managers. A related argument is, attention to top managers in the theory will enhance our understanding of how change occurs within organizations; a gap that has been identified as another (and possibly, related) shortcoming in the theory (Barley and Tolbert, 1997; Lawrence et al. 2000).

There is a body of literature commonly referred to as attention-based theories, particularly well captured in Ocasio's (1997) attention-based view (ABV) of the firm that may help to address this limitation in institutional theory. A central question in ABV is: "Why do firms undertake some decisions and moves but not others?" (Ocasio, 1997: 187). ABV has a process nature (Pettigrew, 1992), meaning it is focused on directly addressing the dynamics and mechanisms which produce certain outcomes. While institutional theorists study the end structures or strategies adopted by an organization, attention-based theorists also consider an earlier step of the structuration process (Ranson, Hinings, and Greenwood, 1980); namely, how attention and choices made by top managers lead to organizational action.

While ABV appreciates that top managers of organizations matter and make choices that affect what organizations do, it acknowledges the constraining effects of institutions. Implicit in ABV is the ability to trace organizational responses across the two dimensions as advocated by Pfeffer (1981). At the first level, it is interested in the cognitive aspects of what top managers of organizations pay attention to. At the second level, it encourages a study of how TMA is coded and selectively retained in organizational communications and leads to organizational action.

It must be clarified that there is some emerging scholarship that proposes the articulation of attention within an institutional theory framework. For example, Hoffman and Ocasio (2001) study when and how the chemical industry

was more likely to attend, and subsequently act, upon pressures from interest groups and media. In their study, the emphasis on attention within an institutional framework is quite explicit and the level of analysis is the industry or organizational field. Recently, Nigam and Ocasio (2005) study the reasons behind the Senate's lack of support to Clinton's healthcare reforms of 1993-1994. Their focus is on the content of reforms at the regulatory authority level as opposed to how organizations interpret and act upon these reforms. One way attention can be integrated particularly well within institutional theory to understand organizational responses are through the study of TMA (Edelman et al. 2001). The clearest direction on relating TMA to organizational responses is provided in a study by Edelman et al. (2001) of professional management publications to understand response to the *1964 Civil Rights Act*. They argue that management executives and professional organizations began de-emphasizing the need for compliance to the *1964 Civil Rights Act*. Instead, they started using a distinct "diversity rhetoric" and discussing how diversity leads to innovation and higher profits. They argue that the managerial understanding of diversity goes beyond the institutional definition of diversity in the statutes, and how the definition has moved beyond the original emphasis on race and gender to aspects such as geographic and thought diversity. However, they do not relate this to organizational activities. As explained earlier, TMA-organizational activities need an explicit focus to understand organizational responses, more so when the

aim is to disentangle symbolic from substantive responses. The next section develops TMA theory.

Top Managerial Attention

Ocasio (1997: 188) argues that the attention of top managers to issues, stakeholders and events is of “special interest and importance for our understanding of strategic choice.” TMA is the “noticing, encoding, interpreting, and focusing of time and effort of organizational decision-makers” on select issues and problems (Ocasio, 1997: 189). Hence, in order to study strategic choice, one must first understand what top managers pay attention to (Ocasio, 1997). A TMA scholar would argue that top managers determine the degree to which organizations pay attention to issues, both raised by the field and within an organization (Daft and Weick, 1984; D’Aveni and MacMillan, 1990; Edelman et al. 2001; Nigam and Ocasio, 2005; Ocasio, 1997).

A TMA approach falls under the broad gamut of behavioral strategy. Review of the literature points to how it builds upon three established theories. These are a behavioral theory of the firm (Cyert and March, 1963), top managers or the upper echelon perspective (Hambrick and Mason, 1984), and strategic choice theory (Child, 1972). All three are referred to as “behavioral theories of organizations” (Cohen, March and Olsen, 1972: 1). The fundamental idea driving this literature is, top managers interpret the environment and make choices.

Behavioral theories of organizations are aware of the important role played by the “dominant coalition” (March and Simon, 1958) or top managers in determining organizational activities in contrast with rational choice as advocated in classic theories of the firm. These theories argue that decision-making isn’t scientific or optimal. On the contrary, it is tempered by cognitive limitations of top managers. Similarly, Ocasio (1997) argues that attention-based theories are different from both rational theories (e.g., game theory, agency theory) and deterministic theories (e.g., institutional theory, population ecology theory).

Cyert and March (1963: 21) raised several issues, the key one related to the “behavior of business firms” and concluded that existing theories were “not equipped to answer most of the questions” that were raised by them. Machlup (1967: 4) explains how a behavioral theory of the firm is an “alternative” approach that studies “how businessmen really act and by what processes they reach their decisions.” This alternative approach could also be used to understand the response of a business firm to classic economic problems such as “the internal allocation of resources and the process of setting prices and outputs” (Cyert and March, 1963: 15).

A more direct thrust to attention-based issues was provided by John Child in his work that came to be known as strategic choice theory (Child, 1972). Child (1972: 4) brought to our notice the “choice” and “power” top managers exercised in directing the course of an organization. Child (1972: 2) argued that it was important to give “attention to the agency of choice by whoever has the power to

direct the organization.” Child (1972: 3) explained how “strategic choice” was inevitable in light of the complexity of the environment. In his subsequent work, Child (1973) also critiqued some influential work done by Derek Pugh and his colleagues at Aston University who were bringing to the notice of the scholarly community the impact of organizational characteristics, such as size on structural attributes of an organization like formalization and centralization (Pugh, Hickson, Hinings, and Turner, 1969, 1968). Child’s (1973) concern was that the Aston theorists did not consider top managerial choice adequately.

The most coherent and systematic scholarship on top managers is the work done by Donald Hambrick and his colleagues. Hambrick’s work traces behavior of organizations directly to issues related to top manager attributes, with specific reference to the role played by top management team composition, functional backgrounds of top managers, tenure of top managers, education possessed by top managers, relationship of executives to the Board, and so forth upon facets related to an organizations’ behavior. He emphasizes the role of psychological and political factors in shaping what top managers think and do. For example, Finkelstein and Hambrick (1990) demonstrated that longer tenure of top managers leads to strategic persistence and conformity to industry expectations. This unwavering emphasis on attributes of top managers has been the defining characteristic of Hambrick’s work (Chen and Hambrick, 1995; Finkelstein and Hambrick, 1990; Snow and Hambrick, 1980). However, in his recent work, there is a noticeable shift towards how the situational and

environmental context, which is beyond top managerial attributes, impacts TMA (e.g., Hambrick et al. 2005a, 2005b).

Other contributions with a TMA and managerial cognition orientation are evidenced in the work of Jane Dutton and her colleagues (Dutton and Jackson, 1987; Dutton and Webster, 1988; Jackson and Dutton, 1988). For example, Dutton and Jackson (1987) explain how categorization occurs through the attachment of meanings by using labels. In specific, two labels that are frequently applied to make sense of strategic issues are “threats” and “opportunities”. These categorizations simplify the world for top managers and facilitate the ease of recall at a later date. Labels also facilitate in the process of prioritization where top managers attend to threats more quickly than to opportunities (Dutton and Jackson, 1987).

Perhaps the most compelling statement on an organization’s behavior using an attention lens has been made by Ocasio (1997). He proposes a model of an organizations’ behavior that comprises six mechanisms. While TMA is not an explicit focus of Ocasio’s (1997) framework, it provides a useful starting point to link TMA to organizational activity even under coercive pressures. I now summarize these six mechanisms of the ABV framework (Ocasio, 1997, see p. 193-202) in TMA terms: (1) TMA is affected by both the internal and external environment of an organization; (2) TMA is coded in artifacts and narratives; (3) TMA translates into organizational attention only for some issues; (4) the organization’s attention structures determine what should be salient; (5)

organizational moves occur on salient moves; and (6) these organizational moves create a new environment for decision-making. Based on the above literature, the next section elaborates extant theory.

Predictions of Organizational Response from a TMA Standpoint

While institutional theorists have paid less attention to differences between symbolic and substantive responses (Hambrick et al. 2005a; Oliver, 1991; Powell, 1985; Scott, 2001); TMA frameworks have been criticized to suffer from a romance of leadership myth (Meindl et al. 1985). Meindl et al. (1985) have cautioned scholars of the fallacy in literature to over-emphasize the effects of top managers and leaders upon organizational performance and organizational outcomes. The assumption is: TMA leads to substantive organizational actions (D'Aveni and MacMillan, 1990; Salancik and Meindl, 1985; Staw, McKechnie, and Pufer, 1984). However, this is an untested assumption and problematic in light of some literature that finds disconnects between top managerial talk and organizational activity (e.g., Edelman, 1992; Fiol, 1995).

-- INSERT FIGURE 2.2 ABOUT HERE --

To articulate this assumption in the literature depicted in Figure 2.2, I use the example of D'Aveni and MacMillan's (1990) study which implicitly assumes that TMA determines what firms actually do, and that this affects their performance. D'Aveni and MacMillan (1990) studied letters written by CEOs to stakeholders in times of demand crises to articulate the relationship between

TMA and firm performance. They expected different strategic responses from successful and unsuccessful firms in times of crisis. They used TMA to measure organizational response. D'Aveni and MacMillan (1990) find that in times of demand crisis, top managers of successful firms pay attention to different aspects of the environment than top managers of unsuccessful firms. While top managers of successful firms are able to sustain their attention to customers, top managers of unsuccessful firms “deny or ignore output factors (customers), and pay more attention to the input (creditors, suppliers) and internal environments” (D'Aveni and MacMillan, 1990: 634). Hence, the authors conclude that TMA matters and affects firm performance. However, they do not test whether top managers actually ‘walked their talk’.

As explained in the preceding paragraphs, TMA scholars expect attention to translate into action. Figure 2.1(b) presents predictions on linkages between coercive pressures, TMA, and substantive organizational activity from an attention-based perspective. Hence, one may summarize the above arguments following from a TMA standpoint with specific reference to strong coercive pressures and environmental uncertainty: institutional attention leads to TMA and TMA leads to concrete changes in organizational activity.

Proposed Elaboration of Institutional Theory and Attention-based Theories

The explicit integration of TMA into institutional theory is now developed as it has the potential to enrich our understanding of organizational

responses to coercive pressures. In this section, I attempt to elaborate upon this integration. While attention-based frameworks may enhance our understanding on how TMA affects substantive organizational activities, this remains an untested assumption. Also, it does not adequately elaborate on the extent of institutional attention (or coercive pressures) and the potential rhetorical dimensions of TMA (Edelman et al. 2001; Green, 2004). That is, some coercive pressures and some types of TMA might not translate into substantive activity. While much of the elaboration of these gaps will come from the empirical study, I now develop some hypotheses on why this might happen.

---INSERT TABLE 2.2 ABOUT HERE ---

Table 2.2 presents a straight forward articulation of organizational responses to institutional pressures in TMA terms. The first type of organizational response is accompanied by high/moderate TMA and by high/moderate concrete activities. The top managerial communications will focus on validation, or in other words, on sharing concrete activities of an organization (e.g., discourse on actions taken on issues). I define this as substantive organizational response and it somewhat corresponds to the first two strategic responses of “acquiescence” and “compromise” proposed by Oliver (1991). The second type of organizational response is accompanied by high/moderate TMA but low/negligible concrete organizational activity. I define this as symbolic organizational response and it largely corresponds to the strategic organizational response of “avoidance” that has been proposed by Oliver (1991). The content of

communication here will be on “assertion of values” (Feldman and March, 1981), in other words, on discussing the values and benefits of norms without a concrete description on what is done. The third type of organizational response is accompanied by low/negligible TMA and low/negligible concrete activity. I define this as no response and this roughly corresponds to fourth and fifth strategic responses of “avoidance” or “defiance” proposed by Oliver (1991). A no response in this context, though theoretically unlikely, is an empirical possibility.

At this point, it is also important to recognize that symbolism may occur due to reasons apart from being an intentional act for legitimacy (Meyer and Rowan, 1977). These include symbolism being an unintentional consequence of cognitive overload in times of environmental complexity (Cohen, March, and Olsen, 1972; Weick, 1979), and symbolism being a persuasive and rhetorical feature of most communication (Abrahamson, 1997; Green, 2004). There is other literature apart from institutional theory and attention-based theories that have attempted to study the problematic linkages between TMA and substantive organizational actions.

While a detailed analysis of this literature is beyond the scope of this dissertation, it is appropriate to briefly mention them. Several literatures that include frame analysis, impression management, attribution theory, and decision-making also address issues related to the perceived disconnects between what managers say (and attend to) and what they actually do (Benford and Snow, 2000; Brews and Hunt, 1999; Elsbach, 2003; 1994; Feldman and March, 1981;

Fiol, 1995; Goffman, 1974; Nadkarni and Narayanan, 2004; Salancik and Meindl, 1984; Simons, 2002). For example, Simons (2002) refers to the perceived alignment between what managers of an organization say and what they eventually do as “behavioral integrity”.

Managing impressions through symbolic actions is a highly political and important activity as it gives organizations legitimacy. A good example of such acts of impression management is also evidenced in the study by Elsbach (1994). She studied the behavior of members of the California Cattle Industry in the face of crisis. Elsbach (1994) proposed how “symbolic management” is an effective and important practice adopted by organizations. Elsbach (2003) also argues how the use of impression management by spokespersons of organizations isn’t new and can be traced back several centuries to institutions such as Greek universities.

We therefore know that symbolism through ceremonial conformity (Edelman, 1992; Meyer and Rowan, 1977; Westphal and Zajac, 2001, 1998, 1994), impression management (Arndt and Bigelow, 2000; Elsbach, 2003, 1994), rhetorical discourse (Edelman et al. 2001; Green, 2004; Suddaby and Greenwood, 2005), and attribution (Staw, McKechnie and Puffer, 1983; Salancik and Meindl, 1984) does occur. We also know that ceremonial conformity is important to get legitimacy and that ceremonial conformity to institutional expectations may have positive consequences on organizational performance. What is, however, relatively unknown is when and how symbolic or substantive responses occur.

One way to study organizational responses is through the association between TMA and organizational activities. This can be done through a careful study of text. For example, Ocasio and Joseph (2005) show us how the study of formal corporate communications facilitates the understanding of linkages between organizational attention and organizational moves. Ocasio and Joseph (2005) reiterate the importance of top managers but also extend ABV by arguing that TMA needs to be sustained in an organization's communication channels for organizational attention to occur. For example, the Board of Directors of a corporation might brain-storm and come up with a new strategy. However, this strategy needs to be transmitted, contextualized, and transformed so that it is understandable and can be implemented at the operational level.

The analysis of formal corporate communications is also consistent with some recent trends in institutional theory (Green, 2004; Oakes et al. 1998; Phillips et al. 2004; Suddaby and Greenwood, 2005). Phillips et al. (2004: 635) argue that "processes underlying institutionalization have not been discussed adequately" by institutional theorists and argue that a study of texts may enhance our understanding of how institutional change occurs. "For a text to be generated, it should be inscribed – spoken, written, or depicted in some way" (Phillips et al. 2004: 636). Coercive pressures from regulatory authorities within a field provide opportunities for "organizational sensemaking" and create opportunities for the production of texts (e.g. Annual Reports) by subordinate organizations (Phillips et al. 2004). Similarly, Oakes et al. (1998: 258) emphasize the importance of

“business plans” as these “not only announce what change is coming, but it is through the activity of business planning that change occurs.”

The paper now develops the literature in institutional theory, attention, and the loosely connected literatures on communication (discourse/ accounts/ rhetorics) that proposes the study of organizational text (Abrahamson, 1997; Abrahamson and Park, 1994; Bettman and Weitz, 1983; D’Aveni and MacMillan, 1990; Edelman et al. 2001; Green, 2004; Phillips et al. 2004; Salancik and Meindl, 1985; Staw et al. 1984) and offers some testable hypothesis. This will serve as a helpful starting point to empirically relate TMA to organizational activities; something that has been assumed but inadequately tested or theoretically elaborated on in current literature.

--- INSERT FIGURE 2.3 ABOUT HERE ---

Figure 2.3 presents a model relating coercive pressures to TMA and organizational activity. It is used to develop testable hypotheses by elaborating upon extant literatures. The three components shown in the model are: (1) institutional attention (or coercive pressures); (2) TMA; and (3) organizational activity. While coercive pressures may be exercised on a few issues, some issues will receive more institutional attention than others. The first mechanism describes that institutional attention will affect TMA and top managerial rhetorics, which constitute the second part of the theoretical model. The model also develops the argument that the effect of institutional attention on TMA may also be affected by issue criticality, or in other terms, by its urgency and

consistency (Dutton and Jackson, 1987; Oliver, 1991). Issues will receive differing quantum of TMA; and either rhetorics of assertion or rhetorics of validation will be used to convey TMA. As shown in the second mechanism of Figure 2.3, these differences in TMA and top managerial rhetorics will lead to differences in organizational activity.

The model is based on some fundamental arguments that will be elaborated on by the empirical study. First, “institutional theory includes a role for discourse” (Green, 2004: 653). Second, both institutional authorities and organizations produce text to initiate, resist, or respond to change (Green, 2004; Phillips et al. 2004). Third, the text produced by institutional authorities serves as the institutional pressure (Oakes et al. 1998; Phillips et al. 2004), while text produced by top managers will affect how organizations respond to institutional pressures (D’Aveni and MacMillan, 1990; Oakes et al. 1998). Fourth, in their text, institutional authorities raise multiple issues which might co-exist, contradict, or co-evolve (Friedland and Alford, 1991; Reay and Hinings, 2005). Fifth, top managers selectively attend to some issues more than others (Oakes et al. 1998; Ocasio, 1997) and this leads to the production of text. Sixth, the language used by top managers will have predictive validity on organizational activity and also enhance our understanding on why only some issues are acted upon. Finally, TMA and rhetorics of assertion/validation used to convey TMA are predictive of extent of organizational activities that occur within

organizations. At an overall level, this model presents a fairly “active conceptualization of discourse and social action” (Green, 2004: 654).

Institutional Attention. The starting point of the theoretical model is institutional attention, or the prioritization of issues by the institutional authority, in this case the provincial government. Institutional authorities are seen as performing a sensegiving role. By sensegiving, I mean the attempts to “influence the sensemaking and meaning construction of others toward a preferred definition of organizational reality” (Gioia and Chittipedi, 1996: 442). While the emphasis in the sensegiving literature is on the role of leaders or middle-managers in influencing subordinates (Gioia and Chittipedi, 1996; Maitlais and Lawrence, forthcoming), institutional authorities also play a role in sensegiving. These issues should be evidenced in the text produced by the institutional authorities as “it is through linguistic processes that definitions of reality are constituted” (Phillips et al. 2004: 635). Consistent with Friedland and Alford (1991) and some empirical studies (Oakes et al. 1998; Reay and Hinings, 2005), the model develops the argument that institutional authorities may raise multiple issues in texts produced by them.

Friedland and Alford (1991) propose that multiple issues are inevitable due to the existence of multiple institutional authorities (government, professional associations) and conventions. Reay and Hinings (2005) empirically demonstrate how multiple institutional logics may co-exist and co-determine simultaneously. Hence, the concept of a dominant institutional logic replacing an

old logic is not quite as straightforward as presented in the literature. For example, in a study on the effects of reorganization of healthcare, Reay and Hinings (2005) propose that the business-like model and medical model of healthcare existed simultaneously.

Early stages of a field are also likely to be unstable as they are characterized by ambiguity, paradoxes, and complexity (Edelman, 1992). Hence, organizations in the field may not have the information, direction, or incentive to substantively comply with all issues raised by the government. It is argued that a major factor that affects degree of support or discourse by subordinate organizations would be to focus on those issues raised by powerful and legitimate actors in the field (Phillips et al. 2004). The key argument here is that the text produced by institutional authorities affects decision making, as some issues get more institutional attention than others and should therefore receive more TMA. This leads to the first hypothesis.

Hypothesis 1: The greater the institutional attention to an issue, the greater will be the TMA to that issue.

Issue Criticality. If institutionalization is seen as a discursive process and embedded in text (Phillips et al. 2004), why is it that only some text produced by institutional authorities leads to action? The starting theoretical framework develops the argument that in addition to the characteristics of text, perceptions of issue criticality in the minds of top managers might affect why some issues will likely receive greater TMA and possibly affect organizational activity. This

component of the framework points to the effect of additional factors upon TMA, top managerial rhetorics and organizational activity. Although the effects of issue criticality are not being tested by means of a hypothesis, it is being discussed to recognize that factors in addition to quantum of institutional attention affect how top managers interpret issues.

The articulation of criticality in the model selectively draws upon two literatures. First, it draws upon institutional theory which proposes that ambiguous information may negatively affect adoption because ambiguity may provide top managers with the interpretive latitude to manipulate meanings or feel less pressured to enforce change as they see it as less critical (Edelman, 1992; Friedland and Alford, 1991; Maitlais and Lawrence, 2003; Phillips et al. 2004). However, this conceptualization of criticality is contradictory to Jackson and Dutton (1988: 384) who have proposed that “threat (and not opportunity) is present when available information is ambiguous”. Instead, this is consistent with Phillips et al. (2004: 645) who propose that those texts “that are more coherent and structured” will have a higher rate of adoption than text that is incoherent, less structured, or ambiguous in content. Consistent with the institutional literature, internally consistent, coherent, and unambiguous texts (or situations) are more likely to be perceived as critical and elicit higher organizational activity in the field than ambiguous text (Edelman, 1992; Friedland and Alford, 1991; Goodrick and Salancik, 1996; Phillips et al. 2004).

An example in the institutional literature on how organizations may exploit ambiguity is the study by Goodrick and Salancik (1996). They found lower discretionary use of cesarean section surgeries by private hospitals when decision information was unambiguous and certain. On the other hand, they found that when the risk to patients was not high and the ambiguity was high, hospitals exploited these ambiguities and acted in a manner that were consistent with their organizational incentives. Simply put, institutional pressures to reduce unnecessary cesarean section surgeries were substantively conformed to only when there was less ambiguity.

And second, it draws upon the strategic issues diagnosis literature (e.g., Dutton and Jackson, 1987; Jackson and Dutton, 1988) and stakeholder theory literature (Mitchell et al. 1997) which proposes that as threats are more likely to be seen as urgent, they will be attended to and acted upon differently than opportunities. Issues are speculated to differ in degrees of criticality and will likely affect what gets greater TMA (Dutton and Jackson, 1987; Jackson and Dutton, 1988; Mitchell et al. 1997). Dutton and Jackson (1987), for example, argue that threats are attended to more quickly than opportunities. By drawing upon some of their earlier work, the model develops the argument that while threats are perceived as more salient than opportunities, some threats still become more salient than others. For example, public-sector organizations undergoing radical restructuring should perceive all issues raised by the government as

coercion, and possibly threatening to their survival. Yet, all issues raised by the government directives might not be considered to be equally critical.

TMA and Top Managerial Rhetorics. As shared in the previous subsection, the quantum of institutional attention and perceptions of issue criticality affect sensemaking. One way to study how organizations respond to institutional directives is through a study of TMA. While top managers may feel coerced to attend to issues and produce corporate communications that demonstrate conformity to institutional directives, the quantum of TMA exhibited in text will likely vary across issues. Higher quantum of TMA implies higher commitment to an issue (D'Aveni and MacMillan, 1990). As the literature on TMA has been developed in fair detail in earlier sections, I specifically develop the literature on the use of top managerial rhetorics.

Emerging perspectives in institutional theory see institutionalization as a discursive activity that encodes expectations of institutional authorities (Phillips et al. 2004), and top managerial discourse in response to institutional expectations (Edelman et al. 2001; Elsbach, 1994; Green, 2004), both of which are embedded in text. Simply put, top managers interpret texts produced by institutional authorities and create text in response. For example, Edelman et al. (2001: 1598) recently show us how institutional directives and laws are, eventually, “no more and no less than managerial understandings of law.” More recently, Green (2004: 654) argues that “what managers say and how they say it matters a great deal.” It

is therefore argued that the rhetorics being used in the text produced by top managers would likely reveal their intent.

By top managerial rhetoric, the model directly draws upon Green (2004: 654) who defines it as an “instrumental discourse used to persuade audiences, reach reliable judgments, and coordinate social action.” The arguments being advanced here have some continuity in some loosely connected literature that emphasize the study of language, accounts and framing in deciphering intent of top managerial communications and their likely consequences (e.g., Benford and Snow, 2000; Creed, Langstraat and Scully, 2002; Creed, Scully and Austin, 2002; Elsbach, 1994; Fiss and Zajac, 2006; Salancik and Meindl, 1984; Scott and Lyman, 1968; Staw et al. 1984; Swidler, 1984). Edelman et al. (2001), explain that actors may modify meanings. Similarly, Benford and Snow (2000: 613) argue that social movements should not be viewed as things that “grow automatically out of structural arrangements, unanticipated events, or existing ideologies.” Rather, “movement actors (e.g., top managers) are viewed as signifying agents actively engaged in the production and maintenance of meaning for constituents, antagonists, and bystanders or observers” (Benford and Snow, 2000: 613). From this perspective, powerful actors within various settings play an active role in making meaning and managing meanings; or in other words, they are not passive “cultural dopes” (Garfinkel cited in Swidler, 1986: 277).

In the proposed model, the two broad rhetorics that are used to convey TMA are assertion and validation. Assertions are understood here to accompany

both the discursive rationalization for actions that need to be taken in the future (Green, 2004), and a symbolic substitute for actions that should have been undertaken in the past (Feldman and March, 1981; Meyer and Rowan, 1977). This is proposed to be a symbolic form of communication that attempts to disguise inaction through repeated affirmations and declarations of values without discourse on actions.

Assertions might also be understood as manifestations of logics of confidence and good faith (Meyer and Rowan, 1977). The vocal espousal of institutional values through repeated assertions might be seen as a form of ceremonial compliance to institutional directives. Taken to its extreme, assertions might be seen as deviant behavior. For example, Feldman and March (1981: 180) propose that “the hypocrite presumably adopts the assertion of a value as a symbolic substitute for action...hypocrisy is both a social acknowledgement of a value and an evasion of the value.” This study is more inclined to see assertions as responses that display a lack of conviction in the criticality of an issue as opposed to hypocrisy. The emphasis of this type of communication would be on reaffirming institutional myths. The fundamental argument driving this distinction is: “the more compelling and convincing a... managerial practice...the less the justification needs to be repeated or sustained” (Green, 2004: 656). Similarly, Ashforth and Gibbs (1990: 180) explain how organizations may feel constrained to assert socially acceptable goals while pursuing less desirable ones.

Validation is conceptualized, here, as an instrumental form of discourse that emphasizes actions that have been undertaken. Pfeffer (1981), for example, explains how communication has both symbolic and instrumental purposes. By validation (or instrumental effects), Pfeffer (1981: 4) refers to that task of management which is “to provide explanations, rationalizations, and legitimation for the actions undertaken in the organization.” For example, Pfeffer (1981: 16) draws on his earlier work and argues that scientific disciplines with greater consensus on underlying paradigms (taken-for-grantedness) are likely to be characterized by more parsimonious communication and lesser assertions for legitimacy. While assertions are seen here as external symbolic displays to demonstrate conformity of institutional myths, validation is more tangible in content. This type of communication reveals substantive commitment and actions and follows some researchers (Pfeffer, 1981; Phillips et al. 2004) who argue that actions undertaken in organizations lead to the production of text.

Similarly, Creed, Scully and Austin (2002) articulate differences between a “diffusion perspective” and “framing” perspective in the way meanings are made within organizations and how this affects subsequent discourse. While a diffusion perspective sees discourse in times of change as being focused on the mimetic activities such as reproduction, recitation and the “importing of ready to wear accounts”, a framing perspective has a more proactive stance towards discourse and emphasizes how there is “negotiation” of shared meaning (Creed, Scully and Austin, 2002: 473). Consistent with Creed et al. (2002), the theoretical

model includes both assertions (from a diffusion perspective), and validation (from a framing perspective). Stated simply, the model includes a role for both symbolism and substance in discourse.

Thus far, the study of managerial rhetorics has mostly focused on rhetorics of attribution after some actions have been undertaken (e.g., Edelman et al. 2001; Elsbach, 1994; Staw et al. 1983; Salancik and Meindl, 1984). For example, research on attribution points out that top managers attribute success to internal efforts within the organization and failures to external environmental factors. However, the proposed relationship between rhetorics and current organizational action remains underdeveloped and untested (Green, 2004).

Organizational Activity. Institutional theorists propose that organizational responses to institutional pressures can broadly be understood through organizational activities undertaken such as changes in structure or strategy (Deephouse, 1996). For example, the addition of new departments, structural innovations (e.g., poison pills), and adoption of strategies (e.g., diversification) are commonly used to measure organizational responses to institutional pressures. While these changes in structure or strategy may be good indicators of organizational response in some instances, these may be misleading in other instances (Basu et al. 1999; Edelman, 1992; Meyer and Rowan, 1977; Westphal and Zajac, 1998). This is so because such organizational activity might occur without substantive aspects such as budgetary or resource allocations (Pfeffer, 1981) or without sufficient “structural elaboration” (Edelman, 1992).

In summary, patterns of substantive organizational response differ from symbolic organizational response. A substantive organizational response is expected in the field on issues with greater institutional attention. Greater institutional attention should get greater TMA and rhetorics of validation are likely to be used to convey TMA. Also, these should lead to concrete organizational activities which affect the technical core such as changes in budgets, and these changes will be accompanied by high structural elaboration. On the other hand, symbolic responses are more likely to occur when issues are lower in criticality. These issues should get low-intensity TMA and rhetorics of assertion are likely to be used to convey TMA. These should be accompanied by lower levels of organizational activity and characterized by a lower degree of structural elaboration. The above arguments on the relationship between TMA, rhetorics and organizational activity can be summarized in the following hypotheses:

Hypothesis 2: The greater the TMA to an issue, the greater will be the organizational activity on that issue.

Hypothesis 3: The greater the rhetorics of assertion used for an issue, the lesser will be the organizational activity on that issue.

Hypothesis 4: The greater the rhetorics of validation used for an issue, the greater will be the organizational activity on that issue.

Summary

This chapter theorizes a role for top managers in institutional theory through an integration of institutional theory, attention-based theories and the

broad literature on discourse. While institutional theory has a role for both symbolism and substance in organizational response to institutional pressures, disproportionate attention has been given to the latter. In contrast, attention-based theories have an untested assumption that TMA substantively affects organizational activity. Following Pfeffer's (1981) advice, a theoretical model is developed that takes into consideration both symbolic and substantive aspects. This leads to predictions that the greater the institutional attention on an issue, the greater is the TMA to that issue; and, the greater the TMA, the greater is the organizational activity. Meanwhile, the discourse literature points our attention to be mindful of top managerial language, or in other words, to be attentive to how top managers frame their statements. This leads to predictions that rhetorics of assertion – discourse on values with no mention of action – will have a negative relationship with organizational activity as they are largely symbolic attempts at masking lack of organizational activity. In contrast, rhetorics of validation – discourse of tangible actions – in top managerial communications will be associated with greater organizational activity and, therefore, archetypical of substantive responses.

Table 2.1 : Institutional Theory Prediction on Organizational Responses to Institutional Pressures Based on Oliver (1991)

	Factor	Potential Outcome
Cause	Legitimacy	High substantive activity
	Efficiency	High substantive activity
Constituents	Dependence	High substantive activity
Control	Coercion	High/Moderate substantive activity
Context	Uncertainty	High substantive activity
	Interconnectedness	High substantive activity

Table 2.2: Proposed Typology of Organizational Responses

	TMA	Top Managerial Rhetorics	Organizational Activity
Substantive Response	High/Moderate	Validation	High/Moderate
Symbolic Response	High/Moderate	Assertion	Low/Negligible
No Response	Low/Negligible	---	Low/Negligible

Figure 2.1: Organizational Response to Coercive Pressures

Figure 2.1(a) Institutional Theory Prediction on Organizational Response to Coercive Pressures (Oliver, 1991)

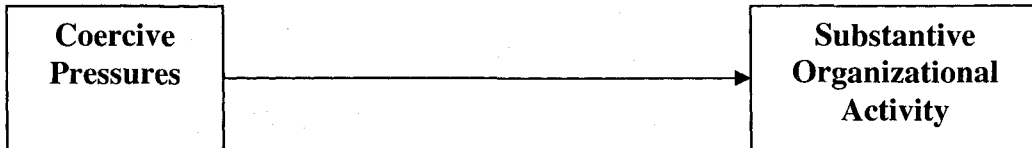


Figure 2.1(b) Attention-Based Theory Prediction on Organizational Response to Coercive Pressures (e.g., D'Aveni and MacMillan, 1990)

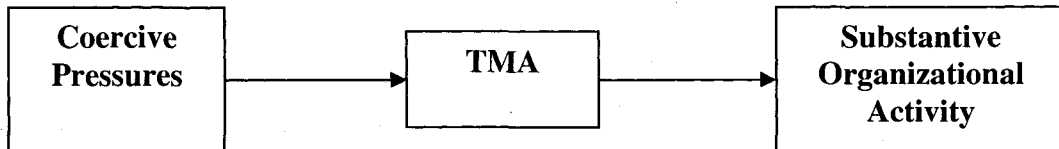


Figure 2.2: Assumed Relationship between TMA and Organizational Activity

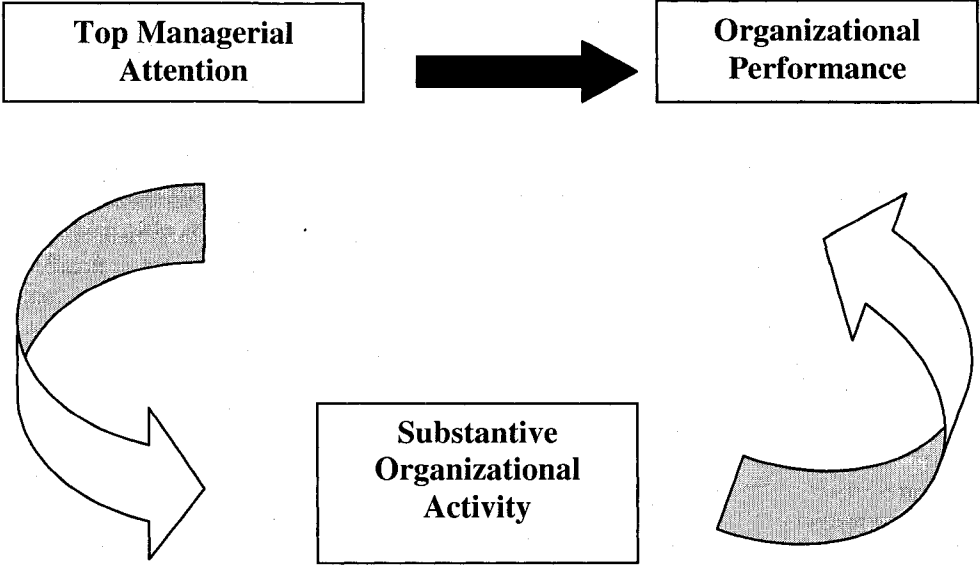
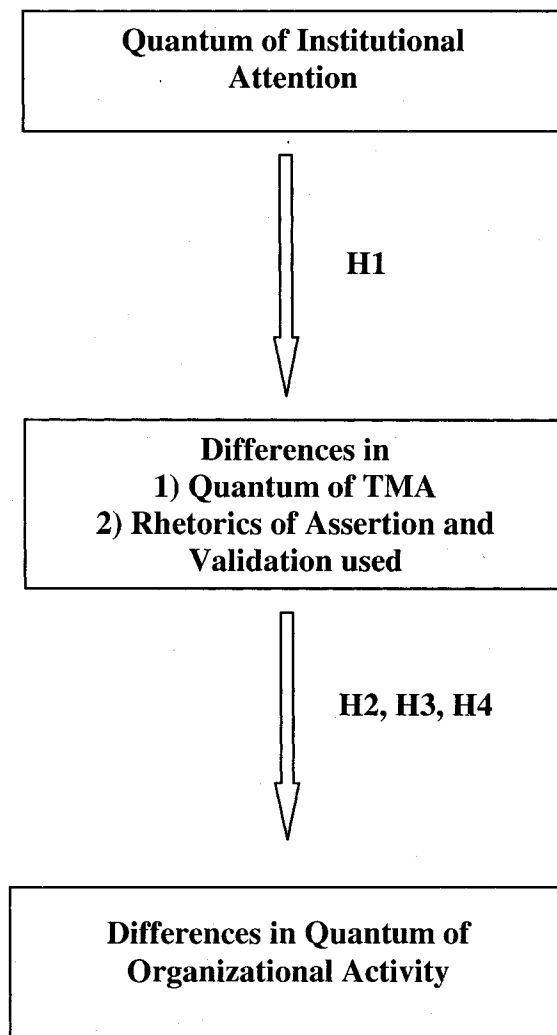


Figure 2.3: Starting Theoretical Model



CHAPTER 3: RESEARCH DESIGN AND METHODOLOGY

A two-phase research design using a mixed-methods approach (e.g., Barley, 1986; Elsbach, 1994) and content analysis was adopted for this study (Krippendorff, 2004; Miles and Huberman, 1994; Weber, 1990). Phase 1 used quantitative methods to test hypotheses. Phase 2 used both qualitative and quantitative methods for the triangulation (Jick, 1979) and elaboration of Phase 1 findings. Such a design is supported by Miles and Huberman (1994: 10) who explain that additional qualitative data and analyses are useful “when one needs to supplement, validate, explain, illuminate, or reinterpret quantitative data gathered from the same setting.” Both phases used content analysis as the methodology is suitable for both quantitative and qualitative analysis. It is also important to clarify here that neither qualitative nor quantitative evidence stands alone. Instead, the evidence should be seen as complementing each other.

This chapter is structured as follows. First, I describe the empirical setting of healthcare in Alberta. Second, I describe the data being used. Third, I describe the methodologies used in Phase 1 and Phase 2 respectively. Finally, I conclude by describing the strengths and limitations of my research design.

Empirical Setting

In Canada, healthcare is publicly delivered at the provincial level. Prior to 1993, approximately 200 hospitals, health units and nursing home agencies delivered healthcare in Alberta. A major policy change in the early 90’s

disbanded their boards and created 17 regional health authorities (RHAs). The erstwhile hospitals and other health facilities lost their identity and assets and government appointed board members became responsible for managing resources for RHAs that were formed by geographical areas (Reay and Hinings, 2005: 358-359). These reforms, known as the 'Klein Revolution', aimed to enforce the Progressive Conservative government's fiscal agenda and reduce the accumulated deficits across various government departments including healthcare. This was to be achieved by (1) reducing government spending from \$12 billion to \$9.85 billion; and (2) introducing business planning and performance measurement systems for efficiency purposes (Oakes et al. 1998: 270). These amalgamated 17 RHAs were reduced to 9 regions in 2003 as part of a second round of reforms.

My sample comprises the Alberta Government (i.e., Alberta Health and Wellness) and the full population of 17 RHAs over this nine-year period (1994-2002). Alberta Health and Wellness (AHW) is the institutional authority with coercive powers because it controls the budgets and set standards for activities in the RHAs. AHW has legislated control over RHAs. AHW approves the business plans and annual reports published by the 17 RHAs, it provides direction on the provincial mandate for healthcare, and it evaluates RHA activities.

The key actors responsible for delivering and monitoring the health system are AHW, the 17 RHAs, physicians, and the Auditor General of Alberta (AG). In brief, the relationship between these actors can be described as follows.

Following regionalization, RHAs were given power and control over all health providers except physicians. RHAs were directly responsible and accountable to AHW for healthcare planning and delivery under their jurisdictions. While the physicians saw patients and worked within RHAs, they “continued to be employed on a fee-for-service basis and negotiated directly with the government, not the RHAs through whom they supplied those services” (Reay and Hinings, 2005: 359). Thus, AHW directly controls the RHAs and physicians. Also, while physicians work within the RHA system and physician activities have a significant effect on health delivery and costs, RHAs have little control over physicians. The AG, instead, is a watchdog that oversees healthcare activities in the province with the potential to cause embarrassment but with no legislated authority over how healthcare should be delivered. Their role is an oversight role that offers a credible external view on healthcare planning and delivery activities by AHW, RHAs and physicians.

My sample comprised the institutional authority and the full population of 17 RHAs over this nine-year period (1994-2002). Of these nine years, formal corporate communications exist only for the last eight years (1995-2002). I believe that my choice of empirical setting is justified for two reasons. First, the study constitutes an experiment over the entire life of a complete population of organizations, thereby eliminating any potential for sampling bias. Second, using the geographically defined field (e.g., Arndt and Bigelow, 2000: 501) of Alberta ensured that the institutional context is the same for all RHAs since there are

differences in institutional expectations across different provinces as healthcare priorities are determined by provinces.

--- INSERT TABLE 3.1 ABOUT HERE ---

The descriptive statistics are given in Table 3.1. The 17 RHAs being studied vary in size, complexity of services provided, and socio-economic indicators of the population they serve. There are two urban RHAs – Calgary and Capital – which cater to a population of roughly one million each, employ approximately 17,000 staff each, deliver all primary, secondary, and tertiary services, and are responsible for the two largest cities of Alberta. Of the remaining 15 RHAs, 10 are classified as rural RHAs and five as regional RHAs. They cater to populations between 20,000 and 200,000, employ anywhere between 300 to 3,000 staff, deliver primary and/or secondary services, and cater to populations that reside in towns and villages. The empirical setting presents an excellent research site for studying the extent to which these coercive pressures by a regulatory authority (DiMaggio and Powell, 1983) constrain the RHAs in Alberta. The availability of formal corporate communications for this study facilitated the investigation of both the institutional expectations (from AHW), as also the organizational responses (from RHAs).

Data

This study used secondary data produced by multiple stakeholders. Secondary data refers to data collected for purposes other than extant research,

often for non-research purposes (Hitt et al. 1998; Payne, Finch, and Tremble Jr, 2003; Scandura and Williams, 2000; Ventresca and Mohr, 2002). Such data includes formal corporate communications such as business plans and annual reports, official correspondence in organizational archives, data of previous research, and media reports. Secondary data is increasingly used in organizational research as a practical alternative to primary data. Its use is advantageous to (1) compare trends and differences across levels of analysis (Vaughan, 1992); (2) compare trends and differences across time and organizations (Bacharach, 1989); and (3) facilitate cross-validation through triangulation and enhance plausibility (Jick, 1979).

The “principal data-set” consisted of Annual Reports published by AHW (1994-2002) and Annual Reports published by the 17 RHAs (1994-2002). An “additional data-set” consisted of: Newspaper reports on healthcare published in Alberta; Annual Reports published by the Auditor General (AG) of Alberta; Business plans published by select RHAs; Updates to citizens of Alberta by AHW; Additional AHW documents (e.g., Long Term Care Review known as the Broda Report). More specifically, institutional attention was examined using annual reports published by AHW. Additional data sources included (1) Updates to citizens of Alberta by AHW; and (2) Guidelines to RHAs for preparation of business plans and annual reports by AH. The second and third components of the theoretical model (Figure 2.3), namely TMA, Top Managerial Rhetorics and Organizational Activity were examined using Annual Reports published by

RHAs between 1994 and 2002, with additional data involving business plans published by select RHAs in the sample period. In addition, documents produced by two external agencies, namely newspaper articles, and the annual reports published by the AG were analyzed, along with a sample of newspaper reports with top managerial statements.

Broad Overview of Data Analysis

Data was analyzed using quantitative and qualitative protocols of content analysis. These protocols were developed in fair detail in early stages of this dissertation (Sonpar and Golden-Biddle, forthcoming, 2005) and I focus, here, only on the relevant applications. Content analysis (Krippendorff, 2004; Miles and Huberman, 1994; Weber, 1990) was used as it was suitable for both qualitative and quantitative analyses of text. At its simplest level, the aim of content analysis is reducing large volumes of textual data into “much fewer content categories” (Weber, 1990: 12) to make analysis feasible. Data reduction can be done at the level of the word, sentence, theme, paragraph, or even the entire article. A major advantage of content analysis is that the use of structured techniques to analyze data makes consistency in coding (or reliability) possible.

Krippendorff (2004: 46) explains that the key applications of content analysis include revealing “the focus of attention” in the studied phenomenon; identifying “intentions and other characteristics of the communicators”; and studying behavioral responses to communications. All these applications of

content analysis augured well for my data analysis which aimed to discover the focus of attention of AHW and compare it with the focus of attention of RHAs; discover intentions of top managers by studying the rhetorics they use for issues; study TMA in response to institutional directives; and study organizational activities in response to TMA.

While content analysis has been used across multiple disciplines, a cursory review of the use of content analysis in organization studies reveals that this methodology appears to be the preferred one for analysis of formal corporate communications (e.g., Arndt and Bigelow, 2000; D'Aveni and MacMillan, 1990) or media reports such as newspaper articles (e.g., Deephouse, 2000; Hoffman and Ocasio, 2001). Content analysis appears to be a preferred methodology for secondary data analysis as such data tends to be voluminous. These data sources, therefore, require methodologies that provide structured protocols for data reduction (Weber, 1990). Content analysis is a versatile methodology in that it is conducive for both quantitative analysis (reducing text into numbers) and qualitative analysis (reducing text into categories).

--- INSERT TABLE 3.2 ABOUT HERE ---

Methodology for Phase 1

A summary of the data analysis is provided in Table 3.2. Phase 1 tested the hypotheses using quantitative applications of content analysis on the primary data-set, namely the annual reports published by the institutional authority

(AHW), and annual reports published by the population of 17 RHAs over the period of 1994 and 2002. The annual reports published by AHW are representative of the coercive pressures while the annual reports published by the RHAs indicate organizational responses to these coercive pressures. I studied annual reports because of the well documented advantages reported in previous research (see Arndt and Bigelow, 2000; Bettman and Weitz, 1983; D'Aveni and MacMillan, 1990; Fiol, 1995; Pfeffer, 1981; Salancik and Meindl, 1984; Staw et al. 1983). First, annual reports represent a reasonably accurate account of activities due to quasi-legal reasons. Next, annual reports are comparable across organizations and time. Also, the large textual component and financial information facilitate both qualitative and quantitative analyses. Finally, as this data was available for the complete population of organizations in the geographically defined field of healthcare in Alberta, it eliminated any potential for sampling bias and constitutes a population experiment.

Broadly speaking, an annual report consists of three major parts. The first part is the cover-letter signed by the Board Chairman and/or the CEO of the organization. In case of Alberta Health, the cover-letter is signed by the Minister of Health and is generally referred to as the Minister's Message. A cover-letter in an annual report provides a concise view on a few critical issues in the eyes of the top managers. As the letters are quite succinct, and TMA is limited, it is focused only on a few issues while others are ignored. The second part comprises the main document which discusses business planning components such as the

vision, mission, goals, and performance measurement reports. As business planning is now an institutionalized activity, most annual reports devote several pages to it. The third part is the annual financial statement which reports audited expenses on various issues (e.g., acute care).

Coding for Hypothesis 1 and 2. The first two hypotheses aimed to test the pervasiveness of the institutional effect by exploring whether greater institutional attention led to greater TMA, and whether greater TMA led to greater expenses. At the broadest level, the preparation of the data for investigating the first two hypotheses was done in nine distinct steps. Data was coded by multiple coders to ensure reliability and to avoid any potential of researcher bias. Wherever feasible, alternative measures were used so as to ensure robustness of results.

First, rater training was conducted through familiarization with the methodology and empirical context. The three coders were fourth year undergraduate students, not aware of the hypotheses of the study, and were provided with a two-hour overview on content analysis. They were also given copies of two articles that use content analysis (Arndt and Bigelow, 2000; D'Aveni and MacMillan, 1990) to acquaint them with the process of coding. Coder A had a research-based MSc degree in psychology and was doing a second undergraduate degree specializing in a healthcare-related field working towards a career in nutrition. Coder B was a senior undergraduate student who was specializing in a healthcare-related field, had some work experience in healthcare, and working towards becoming a physician. Coder C was a senior

undergraduate student specializing in a healthcare-related field, had some work experience in healthcare, and working towards a career in optometry.

After the rater training, they were given two random copies of AHW annual reports and asked to independently analyze issues that were being raised by AHW in the annual reports. Issues were defined quite broadly to encompass programs, values, proposals, concerns and proposed future of healthcare. The coders were also asked to focus on issues that were deemed to be major and significant in nature so as to keep the number of issues manageable. Once the three coders had acquainted themselves with the two annual reports, I individually (and separately) discussed their initial findings with them to get a sense of their understanding of the issues being raised by AHW. It also provided me with an opportunity to assess the degree of difficulty being perceived by the coders, as only one of the three coders had previous research experience in coding documents. The coders separately proposed that changes were being initiated by AHW across multiple areas. While there was some variation in the way they labeled the issues (e.g., administrative integration as suggested by Coder A versus consolidation and reallocation of resources suggested by Coder B); there was consistency in their interpretation about concerns of the government on several issues; in this instance on the issue of administrative efficiency.

Second, two coders were asked to code the Minister's Message in each annual report published by AHW in the period 1995-2002 and asked to identify

issues at the level of the sentence. As it was possible that multiple issues may be raised within a sentence, no restrictions were placed on the number of issues that could be identified. At this stage a code-book was not created because the complete list of issues had not been identified. Also, I felt it was important to provide as much flexibility and variation in the early stages of coding. The coders were also asked to make code only explicit statements and not to infer any meanings in case of ambiguity.

Third, a pre-agreement inter-reliability test was conducted and was followed by a discussion to create consensus on the code-book. Overall, there was a fairly high degree of agreement between the two coders on the issues that were being raised in the various cover letters of the Minister. While Coder 'A' coded 249 instances in which issues were being raised, Coder 'B' identified 236 instances of issues being raised. That is, on an average, while Coder 'A' identified 31.25 instances of issues per letter, Coder 'B' identified 29.5 instances of issues per letter. Hence, at the broadest level, there appeared to be fairly strong consistency when it came to total mention of issues. With regard to the number of issues, Coder A identified 27 broad and separate issues while Coder B identified 33 broad and separate issues.

As expected, there were some differences in the coding schemes. For example, Coder 'A' coded a particular sentence in the 1995 Annual Report as 'sustainability' versus Coder 'B' who coded the same as 'monitor, stabilize, fine-tune'. Next, I asked the coders what each of the codes meant to them and I took

hand-notes. A close analysis of the separate code-books revealed that while the two coders had used synonyms for the same issues to differing degrees, there were no major differences in the type of issues raised by the two coders. Hence, there appeared to be high agreement on the overall range of issues, the only caveat being that the issues were coded in different ways. Next, reliability test revealed an 83.1% initial agreement on the coding without any negotiations. This level of initial agreement is reasonably high and acceptable (see Krippendorff, 2004). Also, it is important to evaluate robustness in light of the fact that no code-book had been created as yet. Overall, there was high agreement on the range of issues being raised, and an acceptable level of agreement on the specific coding.

Fourth, based on these discussions, a more detailed code-book was created and a post hoc inter-rater reliability test was conducted. After this initial rate of agreement had been calculated, potential ambiguities were identified at this stage itself so as to avoid future inconsistencies. I noticed two broad patterns of coding errors. First, there was ambiguity on the meaning of quality in the healthcare system. At one end, quality was seen as referring to patient satisfaction or client perception of quality. At the other end, quality was seen from a medicine standpoint in which activities such as steps to reduce medical errors and following of clinical guidelines were seen as a commitment to quality. While we had noticed this potential for ambiguity in some earlier work, I had not prompted the coders. And second, and perhaps importantly, as a very large number of initial issues had been identified (27 by Coder A and 33 by Coder B), it was very

difficult to maintain consistency or to reliably differentiate between two issues that were almost identical in content. An example in point is the use of two separate codings by Coder B – ‘improve health’ and ‘Healthy Albertans’ – for an issue that appears almost identical; namely related to a focus on wellness and good health.

Next, a few meetings were held to make the code-book more manageable and reliable. Based on repeated analysis of the data, the two coders came to a consensus that the Minister was raising eight major issues. These were (1) administrative efficiency; (2) patient focus; (3) quality; (4) wellness; (5) home/community services; (6) staffing; (7) technology; and (8) increasing funding to RHAs. In some preliminary work done separately from the coders (Sonpar and Golden-Biddle, 2005) we had identified only the first four issues. Based on the input provided by two coders, I agreed to use all eight issues identified by them in the analysis to the extent feasible.

Administrative efficiency was understood by the coders as a commitment by AHW to reduce unnecessary expenses and make the healthcare system more cost-efficient by taking steps such as integrating programs, reducing administrative expenses and working towards a funding model that would create stability in the system that will be sustainable in the long-term.

Patient focus was understood as a commitment towards clients, patients and the community of Alberta by taking steps such as asking for inputs from the community on current state of healthcare, formation of community councils to

determine healthcare priorities and specific steps to ease patient access such as reduction of wait-times for healthcare procedures.

Quality was understood as a commitment of the healthcare system to work in a competent manner as dictated by the field of medicine. This could be through adoption of clinical practice guidelines, an emphasis on the reduction of medical errors and adoption of latest quality management principles such as through accreditation by healthcare governing bodies.

Wellness enunciated values of prevention of disease, protection from disease, and promotion of healthy lifestyles to move away from a model of care that cured sickness towards a model of healthcare that emphasized keeping people healthy. A focus on the issue of wellness could be interpreted through discourse on community education, vaccinations and other such activities.

Home/Community services was understood as the commitment of the healthcare system to move towards a model that shifted the location of delivery of services away from institutional settings such as hospitals into home or community settings such as lodges and seniors homes.

Staffing was understood as a commitment towards the staff/healthcare providers. Attention towards issues of staffing was said to occur when AHW used discourse on human resource issues such as hiring, staff morale, staff appreciation and staff/physician input.

Technology was understood as a commitment towards adoption of various types of technologies in healthcare delivery. These included information

technology, tele-health lines, installation of medical equipment such as ECG machines, and so forth.

Increasing funding was perceived as somewhat contradictory to administrative efficiency in that the discourse here was on raising the levels of funding beyond earlier levels.

Fifth, the Minister's Message was recoded by consensus by the three of us using these eight issues. In this round of coding a total of 247 instances of the eight issues were identified, which implies an average of 30.875 issues per letter. This compares quite well with the earlier rounds of coding in which Coders A and B had identified 236 and 249 instances of issues respectively. On completion of this coding, a post hoc inter-rater reliability test was conducted by comparing this final list of codings with a repeated round of codings done by Coder A. In this round of coding there was agreement on 245 out of 247 codings, thereby demonstrating high reliability.

Sixth, in order to further validate the robustness of the institutional attention measure, I created a new measure of institutional attention using the planning component of the AHW documents. The planning component of the Annual Report was approximately 60-80 pages long each year. Previous research has suggested that planning activities, as also planning components of organizational documents, tend to be loosely coupled with one another (Edelman, 1992; Ocasio and Joseph, 2005; Perrow, 1961). Unlike the Minister's Message which may be perceived to have a political content in addition to serving

functional purposes of managing attention, the planning component of the annual reports may be perceived to direct attention of RHAs towards specific issues. More specifically, RHAs were required to incorporate all the planning components identified by AHW in their annual reports. For example, AHW mandated the vision, mission and goals for the healthcare system to ensure that strategic planning conducted by the various RHAs in Alberta was consistent with the provincial expectations.

--- INSERT TABLE 3.3 ABOUT HERE ---

Next, a checklist was created to identify the various planning components of the annual reports. A brief summary of the planning component data is given in Table 3.3. As evidenced in the table, all years excluding 1995 had seven distinct components in their planning document: vision, mission, core business, goals, actions/strategy, performance measures and future challenges. In 1995, the AHW had four major planning components which were goals, actions, performance measures and future challenges. Each of these planning components was distinctly identified as such by AHW in the annual reports and no inferences were made except in the case when different actions were not labeled as separate actions. The total number of sub-planning components ranged from a low of 66 in the year 2000 to a high of 134 in 2002. An average annual report had roughly 90 sub-planning components in a given year.

The unit of analysis was each distinct instance of a planning component. The list of issues and broad code-book created while coding the Minister's Letter

was again used in this round of coding. This round of coding was done on the entire data-set separately by Coder A and by me. Areas of disagreement were recoded through negotiation to ensure reliability. As both coders were trained, there was a very high degree of consistency even in the pre-negotiation stage. Once the final code-sheet had been created based on separate ratings by the two coders, an index of institutional attention was created in two separate ways, using the measures of 'proportionate attention' and 'focus of attention' as suggested by D'Aveni and MacMillan (1990).

Proportionate measures of attention are calculated by measuring how much TMA is given to an issue relative to the number of sentences (or planning components) in a given letter (or document). This measures controls for length of letter (or number of planning categories). Focus of attention measures how much attention is paid to an issue relative to other issues and controls for relevant sentences in a letter (or planning categories) from the standpoint of the study. Each separate planning component was given equal weight. For example, in 1996, the vision, mission, core business, goals, actions, performance measures and future challenges were all worth $1/7^{\text{th}}$ each. Even though the first few planning categories such as vision, mission and core business have lesser content or sub-categories, it is reasonable to argue that the lack of discourse is compensated by their importance in that important organizational priorities appear in the beginning of the document (Perrow, 1961). If there was more than

one sub-category in a planning component, the weighted score was taken at the level of the planning category.

Seventh, data was prepared for analysis of TMA and top managerial rhetorics. TMA was analyzed by using cover letters in annual reports (n = 123). Such data has been used successfully in several studies (e.g., Bettman and Weitz, 1983; D'Aveni and MacMillan, 1990; Fiol, 1995; Salancik and Meindl, 1984; Short and Palmer, 2003; Staw et al. 1983). Where signed cover letters were not available, executive summaries were used. Prior to analyzing the data, it was anonymized by a research assistant to avoid any potential for coding bias. Anonymization involved (1) photocopying the letters; (2) removing all identifying information such as names of RHAs, year, names of executives, names of cities and so forth by deleting it using a whitener; and (3) providing the cover letters with random numbers after shuffling them. Wherever signed cover-letters did not exist, the executive summary was used (henceforth all are referred to as cover-letters).

Eighth, I coded TMA after undergoing rater-training by coding cover-letters with a separate coder on eight random letters from cover-letters beyond the sample period. The level of agreement on all issues was in the post 90% range. After training, the letters were coded by me. I also calculated a post hoc inter-rater agreement on the issue of wellness with a separate research assistant at the Department of Health Organization Studies (i.e., a research centre in the School of Business at the University of Alberta) on 11 cover-letters and obtained 92.7%

agreement. These steps ensured that the coding was reliable as required in content analysis. Previous steps such as rater-training, careful identification of issues, inter-coder discussions and anonymization of these data had reduced any potential for inconsistency or bias. Approximately 75% of the data was rechecked and areas of disagreement recoded while I was coding top managerial rhetorics with an additional coder to test hypotheses 3 and 4. Finally, on completion of the coding, the master list used for anonymization was obtained by me and used for creating a match between the random numberings and the actual annual report.

In order to ensure that TMA was measured robustly, I operationalized it in the three separate ways commonly used in the TMA literature (D'Aveni and MacMillan, 1990). These are proportionate TMA, focus of TMA and absolute TMA. Proportionate TMA controls for letter length, focus of TMA controls for critical sentences, and absolute TMA does not control for anything. A correlation analysis was conducted between the three measures and different specifications were used in the various models to ensure robustness of results.

Finally, I measured organizational activity by calculating it as the proportion of expenses on an issue relative to overall expenses year, thereby controlling for budget changes. While there might be several organizational priorities but limited organizational resources, expenses on an issue imply a substantive commitment by top managers. This measure is consistent with Pfeffer's (1981: 8) suggestion that "substantive outcomes refer to actions, activities, tangible, measurable results" such as "capital or operating budget

allocations.” Organizational expenses on an issue were identified from the audited balance sheets that were appended in each year’s annual report published by the various RHAs. The figures were transcribed onto an Excel Spread-sheet twice, once by me and once by another coder, to avoid any potential for transcription errors.

Of the eight issues identified by the coders, expenses for four issues were accessible through the balance sheets. These are administrative efficiency, wellness, home/community and technology. Administrative efficiency would imply lower administration costs and were represented as ‘Administration costs’ in the balance sheets. Wellness was identified as “Protection, Prevention and Promotion”. Home/Community was identified as an expense on home/community programs. Technology was identified as an expense on information technology in the balance sheets. All RHAs identified these issues separately on a standardized format and reported audited expenses on these issues as part of procedure. A total of 135 out of a maximum possible 136 observations are available for the issues of administrative efficiency, wellness and home/community. However, only 111 observations were available for information technology.

Coding for Hypothesis 3 and 4. This step required additional data preparation. For the purposes of relevance, only signed cover letters were analyzed (n= 92) representing approximately 75% of the available data, or 68% of the total population of RHA-years over the sample period. The number of

issues was further reduced to three, namely administrative efficiency, wellness and home/community. The issue of technology was dropped because it encompassed both information technology and additional technologies, while expenses were available only for information technology. Data was analyzed in four broad steps.

First, a new coder was hired and trained in the methodology of content analysis as the analysis of rhetorics was more complicated than the coding of TMA. This coder was a PhD student in Political Science and conversant in areas related to language and communication due to her functional background. She also had prior research experience. The coder is henceforth referred to as Coder D. The coder was first familiarized with the study. She was broadly told that we were required to analyze top managerial rhetorics, and she was provided with a brief definition of assertion and validation. The hypotheses of the study were not revealed to avoid any potential for bias. Next, I gave her five key studies related to top managerial and organizational communications as she did not have a management background. These studies are Arndt and Bigelow (2000), Bettman and Weitz (1983), Green (2004), Salancik and Meindl (1984) and Staw et al. (1983). These readings provided a reasonably concise and relevant review of some key literature related to the third and fourth hypotheses. It also familiarized her with the type of analysis we were required to do as she was not conversant with content analysis.

Second, the data was analyzed to create a robust coding scheme. In this step Coder D went through some top managerial communications to identify whether the rhetorics of assertion or validation were evidenced in the top managerial communications. I also wanted to ascertain whether these two categories of rhetorics were sufficient despite being parsimonious. As explained earlier, assertion was broadly defined as a passive discourse on values while validation was defined as discourse on tangible action. As no clear coding scheme on these two categories existed in the literature, it was not possible to have a starting code-book. On completion of the exercise, we sat down and discussed her findings. After going through several iterations of data analysis over a random sample of cover letters, and repeatedly returning to the literature in case of ambiguity, we finally decided on splitting validation into two separate categories – namely those that used justifications or attributions, and those that did not use justifications or attributions. This was considered necessary to capture subtle though distinct differences in the two types of rhetorics that were being used in the top managerial communications. The decision to split rhetorics of validation into two categories also has continuity with extant literature; in specific with Green (2004) who argues that greater institutionalization of a practice is characterized by a lesser need to justify that practice. We also decided to retain assertion as it appeared quite distinct and identifiable in the data. We also decided to use only those sentences in which an issue was singularly discussed or where the issue was clearly the dominant issue as compared to the

rest of the issues. Hence, each sentence could be coded only once, unlike the previous step where a sentence could be coded for several issues.

Third, the data was coded by the two of us and disagreements resolved through discussion and negotiation. To avoid researcher bias, Coder D served as the primary coder. During the early part of the coding process we repeatedly returned to previous codings in order to ensure consistency and revise the broad code-book. This technique for coding data is consistent with extant studies on content analyzing rhetorics (e.g., Edelman et al. 2001: 1605).

--- INSERT TABLE 3.4 ABOUT HERE ---

Table 3.4 briefly summarizes the differences between the three types of rhetorics at the most general level. The three types of rhetorics are *assertion*, rhetorics of validation with justification or attribution (henceforth referred to as *justification*), and rhetorics of validation without justification or attribution (henceforth referred to as *without justification*). While the table attempts to articulate differences between the three for the sake of clarity, it is important to emphasize that differences might not occur on all dimensions proposed in the framework. The dimensions on which differences between the three types of rhetorics are theorized to likely occur are focus of rhetoric (values or action), tense used (future or past/present), tone (passive or active), scope of rhetoric (broad or specific), keywords, and emphasis of rhetoric (what or why). An exhaustive code-book was not created since it is unfeasible to list “every possible phrase or combination of phrases”; and in addition to lack of feasibility, an

excess of formalized structure in content analysis may “jeopardize content validity” (Zajac and Westphal, 1995: 294).

--- INSERT TABLE 3.5 ABOUT HERE ---

Assertions are a form of rhetoric that emphasizes values as opposed to concrete actions (see Table 3.5). This conceptualization follows Meyer and Rowan’s (1977) research that an assertion of values might serve as symbolic substitutes of action to show adherence to institutional myths. The tense is generally futuristic; the tone tends to be passive; the scope of statements tends to be quite broad; the sentences tend to use some keywords such as “we can”, “plan to” and “must seek to”; and emphasis seems to be on answering the ‘what the needs to be done question’. Several examples of assertions on wellness have been illustrated in Table 3.5. One such example of a sentence in which rhetorics of assertion are used was evidenced in the cover letter of the 1997-1998 annual report signed by both the Chairman of the Board and the CEO: "Good health is something everyone wishes for themselves, families and friends." Although the emphasis on values of wellness has been made in this sentence, the top managers do not specify actions taken or being taken on wellness. Also, the tone is passive, scope is broad and the potential implication of the sentence is what might need to be done in the future.

--- INSERT TABLE 3.6 ABOUT HERE ---

Justification is a form of rhetoric that emphasizes a lack of taken-for-grantedness of an action, thereby needing greater defending and attribution (see

Table 3.6). Unlike assertion which focuses on values, rhetorics with justification focus on concrete actions. This follows Berger and Luckmann (1966) and more recently Green's (2004) thesis that greater discourse or justification implies lesser taken for grantedness or acceptance. The tense is generally past/present; tone is generally active; scope is generally quite specific; the sentences tend to use keywords such as "because", "due to", "after receiving directions", and "attributed to"; and the emphasis seems to be on answering the 'what was done or why is it being done.' Several examples of this type of rhetoric using the specific case of administrative efficiency have been summarized on Table 3.6. One such example of a statement that uses justification was evidenced in the cover letter of the 2001-2002 annual report of Headwaters RHA signed jointly by the Chairman of the Board and the CEO: "This (funding cuts by AHW) necessitated a mid year plan to reduce our spending to avoid a \$2 Million deficit." The emphasis here is on a tangible action, which is efficiency through reduced spending, and the attribution/ justification for this was the funding cuts by AHW which was stated in a previous sentence.

--- INSERT TABLE 3.7 ABOUT HERE ---

Without justification is a form of rhetoric that describes actions in concrete terms without needing to justify or attribute it to an external stakeholder (see Table 3.7). Theoretically speaking, this type of rhetoric suggests a high degree of taken-for-grantedness and acceptance as the emphasis is on action as opposed to values (Meyer and Rowan, 1977) and the lack of justifications or

attributions in discourse implies that the practice has been institutionalized (Green, 2004). The tense used in these sentences is generally past/present; tone is generally active; scope is generally quite specific; and the emphasis of the statement is on 'what was done or what is being done.' Here, justification is neither given nor are external stakeholders attributed to these actions. Several examples of this type of rhetoric using the specific case of home/community services are given in Table 3.7. One such example of this type of rhetoric is given in the 1995-96 annual report of Capital RHA jointly signed by the Chairman of the Board and the CEO of the health region: "Home Care services for short term patients has nearly tripled in the past two years." In this statement the emphasis is pretty specific on actions that were taken in the past and no justifications are used or attributions are given.

Fourth, on completion of the coding, the complete data was recoded by Coder D. The third and fourth steps were taken to enhance reliability through inter-rater and intra-rater reliability exercises. No formal rater agreements were recorded as the coding involved complete consensus on all categories. The codes that did not have consensus were dropped.

Methodology for Phase 2

In this phase, I used both qualitative and quantitative applications of content analysis (Krippendorff, 2004; Miles and Huberman, 1994) on the full set of documents in order to further understand linkages between institutional

attention, issue criticality, TMA, and organizational activity. This involved analysis of additional data sources namely, the annual reports by AG of Alberta; top managerial statements in newspapers; business plans published by a sample of RHAs; documents published by AHW such as its periodic updates to the citizens of Alberta; and annual reports published by a sample of RHAs.

Purpose and Approach Adopted. As explained earlier, the aim of this phase was (1) triangulation (Jick, 1979; Seale, 1999) to explore whether the use of different data sources and methods led to similar conclusions, and (2) theory-elaboration (Strauss, 1987; Vaughan, 1992) to further understand the investigated phenomenon by looking for trends and differences in linkages between TMA and organizational activity by separately analyzing the three issues.

Given the large quantity of my data (several thousand pages), and also the initial specificity of my research question, the analysis of the data in this phase followed a “prestructured” case analysis format (Miles and Huberman, 1994: 83-88). By a prestructured approach, I mean the use of (1) a pre-determined start list of major categories for coding based on theory (Van de Ven and Poole, 1990: 317-318); (2) a series of sub-questions that guide the interpretation of data (Miles cited in Miles and Huberman, 1994: 84-85); and (3) “decision schemes” or flowcharts to guide data coding (Krippendorff, 2004: 135).

A prestructured research approach is helpful because “the sheer volume of words to be organized and understood can create a sense of drowning in a shapeless mass of information” (Langley, 1999: 693; also see Eisenhardt, 1989:

536; Miles and Huberman, 1994: 83). It also facilitates an in-depth analysis of a few areas of interest based on relevance to the research question, need for cross-validation of some key concepts such as TMA and organizational activity, and surprising results of Phase 1. In order to avoid potential risk for making inferences from the data too early due to the pre-structured format, I followed Miles and Huberman's (1994: 85) recommendations on the use of triangulation with different data, methods and coders in Phase 2 of the study.

--- INSERT FIGURE 3.1 ABOUT HERE ---

Figure 3.1 outlines the major categories and sub-questions used to follow up on Phase 1 findings. First, Auditor General of Alberta's (AG) annual reports was analyzed to explore whether the evidence of weak institutional control upon RHAs was plausible. Second, top managerial statements made in press were analyzed to study their extent of similarity to TMA in annual reports evidenced in Phase 1. Third, I conducted an in-depth analysis of structural elaboration in RHA annual reports to elaborate my understanding of organizational activity. Finally, I tried to put together all the data coded in the study to develop variance models (Langley, 1999) to describe when and how TMA leads to organizational activity. This implied an iterative process between data, emerging insights and relevant theory (Eisenhardt, 1989; Miles and Huberman, 1994). The key data sources were my notes maintained since the beginning data analysis and the frequency count tables on various concepts. My notes contained both my observations and verbatim quotes from data I considered representative or non-representative

during the process of coding documents. Frequency count tables consisted of tabulated data created while coding TMA and organizational activity.

Comments by a Regulatory Authority on Healthcare in Alberta. These data were analyzed in order to understand how an independent powerful regulatory authority interpreted the state of healthcare in Alberta over the sample period. Each year, the Auditor General (AG) of Alberta submits its annual report to the Alberta Legislature in order to provide its assessment on the activities and performance of various government departments. This implies a thorough audit by the AG of various departments and ministries in order to assess the accountability for public dollars spent. In addition to an audit on accounting and broad technical parameters, the AG's annual report also provides the various ministries and departments with certain suggestions for improvement. If needed, it also raises certain audit objections on questionable practices or on areas where the activities of the departments or ministries fall short of acceptable practices.

Although the purpose of the AG's annual report is not identical to the goals of this research, it provides a compelling external assessment of the state of healthcare in Alberta from a practice and policy perspective. Annual reports published by the AG were accessed online from the AG of Alberta's website. Annual reports ranged from a low of 284 pages in 1995 to a high of 368 in 1999, and an average annual report was 326.88 pages long. The annual reports reported the results ministry/department-wise in separate sub-sections.

Analysis of the AG's annual reports was driven by a few guiding questions (Figure 4). The interpretation of data and emerging insights involved an iterative process of going back and forth between the data, guiding questions and results of the previous phase (Elsbach, 1994; Miles and Huberman, 1994). While the content and layout of the AG's annual reports varied across years, I noticed that the AG's observations on AHW broadly contained the following: (1) a brief summary on the performance of AHW in the beginning of the section; (2) objections/concerns by the AG on certain practices of AHW and specific RHAs; (3) recommendations by the AG to address the objections/concerns; and (4) an assessment of actions taken by AHW on the previous year's concerns. Of specific interest is point (2) related to concerns on activities of AHW.

Initial iterations of data analysis disclosed two broad areas of concern: (1) concerns on priorities of AHW; and (2) concerns on the weak control by AHW over its sub-entities. An example of the concern about priorities is the indication that information systems are not integrated in the health delivery process (AG Annual Report, 1995-96: 116-117). An example of the concern on weak control is the indication that none of the 17 RHAs published their annual reports on time (AG Annual Report, 1999-2000: 137). Of specific interest to the study was the second identified concern of weak control. Later iterations of data analysis revealed that not only did the AG raise specific objections/concerns on areas where the directives of Ministry of Health were not being followed (areas of weak control) but also potential reasons why the Ministry of Health directives

were occasionally ineffective (causes of weak control). The discussion of areas and causes of weak control were used to code the AG's annual reports.

Top Managerial Statements in Newspapers. These were used in order to further understand the range of issues that receive TMA and quantum of TMA to those issues. Newspaper reports have been used in both institutional and attention-based theories as both theories recognize the role played by the media in shaping attention and diffusing practices (e.g., Deephouse, 1996; Hoffman and Ocasio, 2001). Institutional authorities and organizations also use newspapers to disseminate information related to changes, initiatives, and events. These can, therefore, be used to better understand the events and to supplement results obtained from other data sources to enhance the validity of a study (Jick, 1979; Miles and Huberman, 1994).

--- INSERT TABLE 3.8 ABOUT HERE ---

I used FACTIVA database to download articles using computerized applications of content analysis in the sample period 1994-2002. These articles were analyzed in several steps. First, I used multiple combinations of keywords to identify potential articles. The details of these keywords are given in Table 3.8 and examples of keywords include CEO, Chair, RHA and Health. This first step led to a total of 943 newspaper articles comprising roughly 1665 pages of data. These 943 articles were coded on an Excel database. Second, I deleted all duplicate articles; namely those that appeared in two or more search criteria. This led to a total of 351 articles, details of which are given in Table 3.8. Finally, a

separate coder and I went through these 351 articles and identified 120 top managerial communications in 93 articles. That is, while several articles had the keywords, they did not represent top managerial communications by RHAs. An example of an article that was dropped was, “Imaging Dynamics Announces Multimillion Dollar Sale To Integra Medical Imaging of Australia”. Although it appeared with the keywords “CEO”, “Regional” and “Health”, the article was on a private firm in Alberta that sold health care related equipment to a new region (Australia), and had a statement by the CEO (of Imaging Dynamics).

--- INSERT TABLE 3.9 ABOUT HERE ---

Table 3.9 tabulates articles that were a part of the final sample of newspaper articles in which top managerial statements were made. No extrapolations or inferences were made from these articles and the top managerial statements were coded on a separate sheet. This led to a total of 120 statements made by separate senior managers of RHAs. That is, some newspaper articles had statements by more than one RHA, or more than one senior manager of a given RHA. What was most apparent to me was the limited amount of top managerial statements made to the press. Several RHAs preferred to make statements through their Communications Director or specific functional heads on which the RHA activity was being reported. The range of staff who made statements included CEOs/Presidents, Chair, Board members, Vice Presidents, Communications Director/ Spokesperson and Directors of departments/hospitals. Given that no standardized designations or organizational hierarchy exists, and

also because few articles were available, I did not drop any articles that had communications from the above types of managers.

As evidenced in Table 3.9, very few top managerial statements existed for the early years of regionalization, with each year prior to 1999 having five or lesser articles. By contrast, there were 40 articles available for the year 2000. Top managerial communications existed for only 10 out of the 17 RHAs. The urban RHAs – Calgary and Capital – had a disproportionately larger number of top managerial statements. This is not surprising considering that local newspapers are generally published in smaller towns and are not available in electronic format on databases such as FACTIVA. Hence, a majority of the articles were from larger national or provincial newspapers such as the Calgary Herald, The Globe and Mail, and National Post. There were also some articles from online newspapers such as The Canadian Press.

Structural Elaboration in RHA Annual Reports. While the study of organizational activity in Phase 1 was limited to analyzing actual expenses on an issue, this step operationalized organizational activity in an additional way; namely, through a detailed study on the extent of changes in organizational structure (Arndt and Bigelow, 2000; Edelman, 1992; Ocasio and Joseph, 2005) on the three issues – administrative efficiency, wellness, home/community – that had been identified in Phase 1. By organizational structure, I follow Meyer and Rowan's (1977: 342) definition of it being a "blueprint of activities" which includes both structural elements and goals/policies that link these elements.

Structural elements include aspects such as offices, departments and programs. Goals/policies serve as the glue that binds structural elements together. For example, in her study of organizational response to the 1964 *Civil Rights Act*, Edelman (1992) studied both the existence of structural elements such as existence of an office, and goals/policies which was she operationalized as whether or not rules/regulations existed.

I used annual reports published by a sample of RHAs in order to enhance my understanding of structural elaboration. A total of 135 out of a possible 136 annual reports were available for analysis in hard-copy format. The structure, length and content of the annual reports varied quite considerably across years and RHAs. In general, annual reports contained a cover letter, some photographs, a summary of key activities undertaken; a description of actions undertaken on areas identified by AHW or the RHA themselves, self-reported performance, and a description of challenges being faced, and audited financial statements. Most annual reports were 50-60 pages long. A conservative estimate is that roughly 7,000 pages of data in RHA annual reports data were potentially available for analysis in this phase.

Experts (Miles and Huberman, 1994; Patton, 2002) have explained that the goal of qualitative research is to provide rich analyses of fewer cases. The emphasis is on “depth” rather than on “breadth” (Patton, 2002: 227-228). Given the large quantity of data, and the need for in-depth analysis of structural elaboration, I followed Patton’s (2002: 243-246) suggestions on “purposeful

sampling” based on “maximum variation” between cases. This implies selectively choosing cases that are information rich and widely divergent. Hence, I chose a starting sample of six RHAs out of a possible 17 RHAs which had rich and detailed textual components. Given that there are three types of RHAs – urban, regional, rural – I chose two RHAs of each type so as to maximize variation between cases considering the wide differences in the types of environments in which these different RHAs operated (see Table 4).

Subsequently, I randomly chose five more RHAs based on a draw of lots in order to take into consideration the larger number of rural and regional RHAs. This led to a final sample of 11 RHAs. Of these 11 RHAs, two were urban RHAs (2 of 2), three were regional RHAs (3 of 5), and six were rural RHAs (6 of 10). Thus, the final sample comprised all urban RHAs and 60% each of regional and rural RHAs. This led to the analysis of a total of 88 annual reports and compares favorably with other similar studies. For example, Arndt and Bigelow (2000: 502) analyzed 37 annual reports.

The initial coding list was driven by the six guiding questions (see Figure 3.2). The list of coding categories involved an iterative process between data, emerging insights and previous theory. I initially picked up eight random annual reports across RHAs and years in order to get a sense of the data. Of specific interest was developing a parsimonious yet sufficient list of categories to code structural elaboration. As expected from previous theory (Edelman, 1992; Perrow, 1961) and our previous work on organizational planning (Hinings et al.

2005), I noticed that the degree of structural elaboration appeared to vary across years and RHAs. By structural elaboration, I mean the extent to which structural elements and goals/ policies of the organization have been elaborated. Thus far, the primary emphasis in institutional studies has been on dichotomous coding of organizational activity, examples in point being whether or not organizations created a program or structure in response to the institutional pressure. A study of structural elaboration, instead, focuses on the quantum and content of such activity also.

Initial rounds of coding also led me to believe that not only could the type of structural elaboration to issues be additive, but also that it could be deletive in content too. By additive, I mean allocation of organizational attention or resources so as to enhance or supplement activity on an issue. For example, creating five nursing attendant positions to provide home/community services would classify as an additive activity on home/community. Deletive activities were actions that reduce or undermine priority to a given issue. For example, downsizing five nursing attendant positions in the home/community department would classify as a deletive activity.

In addition to the type of structural elaboration to issues, I also noticed that the quantum of structural elaboration to issues also varied. Examples of organizational activity include modest commitments to an issue such as creating a committee to study an issue to more substantive commitments such as committing additional resources in the form of infrastructure or personnel

allocations for that issue. Repeated comparison within and across cases revealed that the quantum of structural elaboration could broadly be represented on a continuum with commitment towards planning being the lowest end of the continuum. The second level of structural elaboration would be the creation of formalized rules/committee to address that issue. The third level of structural elaboration was creation/enhancement of a program/project in order to address that issue. The fourth and highest level of structural elaboration appeared to be allocation of resources in the form of infrastructure/personnel commitments in order to address a given issue.

In order to ensure interpretive validity (Altheide and Johnson, 1994) of the emerging coding scheme, I further refined the coding scheme with five new coders. Four coders were undergraduate students who had recently completed all their course requirements in Business Administration and one was a PhD student. Consistent with inter-rater coding in Phase 1, the broad aims were to (1) create a plausible coding scheme that represented the investigated phenomenon as truthfully as possible; (2) validate this coding scheme through random inter-rater checks for consistency in coding; and (3) enhance the credibility of findings by using multiple coders for researcher triangulation. The coders were asked to read two articles to acquaint themselves with the methodology and empirical context. Next, the broad coding scheme on type of structural elaboration and quantum of structural elaboration was shared with them. This was followed by analysis of six annual reports over a period of several meetings in pairs. The raters were

assigned random groups across the four days to generate discussion and to note any ambiguities they had with the coding scheme. On completion of each day's coding, I sat down with the five coders to discuss the coding categories and potential ambiguities. Also, each coding was discussed in detail and compared with other similar codings and non-codings so as to ensure consistency. The code-books were continuously improved at the end of each meeting to ensure reliability and interpretive validity. These repeated interactions and discussions ensured that the coding scheme was plausible and that the coding could be done in a reliable manner and be triangulated across raters. Also, the types of organizational activity – additive and deletive – appeared plausible as it had full agreement from all coders.

The completion of rater-training and repeated trials for consistency made me confident that the data could be coded in a reliable manner. Based on my early analysis of the data and cross-validation of this coding scheme by four separate coders, I developed a few simple rules for coding. First, each discrete type of organizational activity on a given issue was to be coded at the level of the paragraph. Second, in case the activity was not clearly understandable in the paragraph, it could be interpreted in context of the preceding or succeeding paragraphs. Third, no extrapolations were to be made in case the type of activity was not clearly specified.

--- INSERT TABLE 3.10 ABOUT HERE ---

Table 3.10 briefly articulates quantum of structural elaboration across the continuum developed by me. Consistent with Zajac and Westphal's (1995) study, I did not create an exhaustive code-book since it was not possible to document all possible combinations and also because an exhaustive code-book might adversely affect validity. The four coding categories on quantum of structural elaboration were distinct and easily identified. Coders were encouraged to bring to attention of the group codings on which there was ambiguity. I also believe that actions such as coder training, repeated adjustments to the code-book during the training stage, coding in pairs, and group consensus on questionable quotes ensured an acceptable level of reliability for this phase. Also, at the end of each day's coding I conducted random spot checks for coding.

--- INSERT FIGURE 3.1 ABOUT HERE ---

Elaborating the TMA-Organizational Activity Relationship. Consistent with several other studies that use qualitative analyses (Eisenhardt, 1989; Elsbach, 1994; Glaser and Strauss, 1967; Miles and Huberman, 1994), my data analysis involved an iterative process between the data, emerging insights and relevant literature (see Figure 3.1). While I did not strictly follow the guidelines of grounded theory (Glaser and Strauss, 1967) per se, the analysis had both inductive and deductive elements and involved a constant comparison within and between cases.

During the coding of all documents over the 17 month period, I had made notes and carefully recorded relevant quotes in verbatim on TMA and

organizational response to institutional pressures. I also had access to some notes and quotes from the data recorded by some of the coders. Importantly, as I had tabulated frequency counts (Barley, 1986; Elsbach, 1994; Gephart, 1993) on TMA, top managerial rhetorics and structural elaboration over the course of the study, I could make inferences on relationship between TMA and organizational activity with confidence. Consistent with Elsbach (1994: 64), the tabulated data on frequency counts helped to make inferences on general trends in the data. These frequency counts were supplemented with representative quotes and brief statistical analysis for confirming the findings.

Mixing qualitative evidence through my field notes and representative textual data along with quantitative evidence through tabulated frequency counts follows Eisenhardt (1989: 538) who argues that such a combination can be “highly synergetic” and “keep researchers from being carried away by vivid but false impressions, in qualitative data.” Notable exemplars of this mixed approach to qualitative analyses are studies by Barley (1986) and Elsbach (1994). As a further elaboration, Palmer (2006: 553-554) proposes that “quantitative empirical techniques can be employed in an inductive way” just as qualitative methods can be used deductively.

My field-notes (or memos) comprised roughly 138 pages of typed and handwritten data. Following Eisenhardt (1989: 538) and Miles and Huberman (1994: 72), I had recorded my immediate impressions while coding the data. These impressions were in the form of hunches, preliminary insights, questions to

myself, cues for future analysis and other observations. The notes were written in an informal and colloquial tone to record my impressions as simply and clearly as possible. For the most part, these notes were also quite brief due to the large volumes of data. Following Eisenhardt (1989), the process of coding and analysis overlapped as they occurred in both Phase 1 and Phase 2. In case I noticed some contradictory evidence in the data, I made additional notes. I also recorded quotes verbatim from the text below the notes to facilitate their reinterpretation at a latter date. Although this slowed down my coding, it was especially helpful as it recorded my observations as they occurred in real time.

In addition to my own notes, I also recorded observations made by other coders and looked through their notes during the coding process. On completion of all the coding activities in Phase 1 and Phase 2, I returned to my notes and repeatedly read through them to analyze my immediate impressions that occurred during the coding process. These impressions were compared with the findings of my earlier analyses in both phases to further elaborate or question my understanding of the relationship between TMA and organizational activity.

While there are several strategies to organize and analyze qualitative text, one specific strategy recommended is the “temporal bracketing” strategy (Langley, 1999: 703-704). Briefly, the temporal bracketing strategy implies decomposing the data by time and actors into broad time-periods in order to understand how events unfold. This strategy was adopted to analyze the qualitative text in order to account for the longitudinal nature of the study and

also to consider perspectives of various actors. This was implemented by sorting my field notes by time and actors. Of central concern was the understanding of whether and how top managerial and organizational response to the business-like system evolved over time. In analyzing the data, I started noticing that top managerial and organizational responses to the business-like system seemed to go through three periods of roughly three years each – the first one characterized by resignation or support, the second one characterized by resistance, and the third one through a more conciliatory stance. I also noticed that the persuasion and influence tactics adopted by the other actors – AHW, physicians/staff, and community – upon top managers of RHAs seemed to vary over the time-periods. Following Langley's (1999: 701) suggestions, the sorting of data by actors and time-periods was followed by an attempt to visually map how top managerial and organizational responses evolved over time. Briefly, a visual map represents aggregated data through boxes and arrows showing how the various actors attempted to interact and persuade each other in this structuration attempt by AHW towards a business-like system.

In addition to temporal bracketing, I had tabulated data through using frequency counts for institutional attention, TMA and organizational activity. In addition to these recordings, I had also recorded frequency of the different types of rhetorics and different quantum of structural elaboration. This fine-grained analysis of the three constructs was now iteratively compared across issues and with each other to further augment my understanding on the relationship between

TMA leads to organizational activity. This type of inductive “data mining” using quantitative measures follows Palmer’s suggestions (2006: 554). This implied testing for difference in means on the issues across the various levels of analysis – institutional, top managerial and organizational – using a series of tests for difference in means.

I also analyzed some additional documents such as business plans published by the sample of 11 RHA’s and the Updates by AHW to Citizens of Alberta to supplement my understanding of organizational activity and institutional attention to issues. The specific aim of this analysis was to look for confirming or disconfirming evidence on patterns identified thus far. An example of looking for confirming evidence was the inquiry into deletive structural elaboration on the issue of home/community in the business plans as such deletive structural elaboration seemed to occur in some RHA annual reports. This process of confirmation also helped to understand the rationalization given by RHAs when they potentially violated institutional directives. The Updates to the Citizens of Alberta, on the other hand, helped to identify the extent of commitment of the government, and rationalizations given for the healthcare reforms in Alberta. In addition to these documents, I also analyzed four additional documents on the issue of home/community published by AHW related agencies. These four documents were related to the review of long term care in Alberta and published between 1998 and 2001, most relevant being the Broda Report. This analysis was necessary due to some inconsistent evidence in

my prior analysis on the issue of home/community and follows experts' advice to use inconsistent results as opportunities for further investigation (Gephart, 2004).

Data analysis involved an iterative process (Eisenhardt, 1989; Elsbach, 1994, 1993; Miles and Huberman, 1994) between my notes, tabulated observations, emerging theory and pertinent literature, so as to develop a framework describing when and how TMA leads to organizational activity. During this activity, I also repeatedly returned to the original data to make modifications to the emerging framework. The two steps of data analysis in this stage were: (1) within-case pattern identification; and (2) cross-case pattern identification (e.g., Eisenhardt, 1989: 539-541; Elsbach, 1994: 64; Miles and Huberman, 1994: Chapters 5-7).

As explained earlier, the starting constructs of the study were 'institutional attention', 'issue criticality', 'TMA' and 'organizational activity'. In Phase 1, I had elaborated on the content of (1) institutional attention in terms of '*Ministerial Attention*' and '*AHW Attention*'; (2) TMA into three categories: '*TMA*', '*Assertion*', and '*Validation*'; and (3) organizational activity as '*Expenses*'. In Phase 2, I elaborated on the content of 'organizational activity' through three broad categories: *low structural elaboration*, *high structural elaboration* and *deletive structural elaboration*. These eight broad categories constituted the starting list of categories for analysis.

Within-case pattern identification was implemented in this study by looking for trends and differences on the relationship between TMA and

organizational activity within each of the three issues – administrative efficiency, wellness, home/ community – individually. In other words, the relationship between TMA and organizational activity on each issue was treated as a “stand-alone entity” (Eisenhardt, 1989: 540). This was done in four distinct stages.

The first stage consisted of going through the field notes that I made while coding the data. The field notes were sorted issue wise. These notes also included some representative quotes from the analyzed text. I was able to notice that the three issues appeared to elicit differing levels of acceptance. In the second stage I analyzed the tabulated data which had been collected in the previous phase at the level of the issue. This provided a fine-grained analysis of TMA and organizational activity as I was able to see patterns in the data. Specifically, I started noticing how the type of rhetoric used on an issue was related to type and quantum of structural elaboration. In the third stage I went through some additional data sources, namely business plans published by RHAs and additional documents published by AHW such as its Updates to Citizens, to enhance my understanding of patterns that had been identified in the previous stages. The fourth stage of data analysis directly addressed the research question by identifying patterns between TMA and organizational activity separately for each of the three issues. I noticed that type of rhetoric appeared to be related to type of activity. For example, greater top managerial rhetorics of assertion appeared to be associated with greater levels of low structural elaboration.

Between-case pattern identification was implemented in this study by looking at trends and differences between TMA and organizational activity at an overall level across the three issues. The aim was to develop a more generalizable and detailed framework (Miles and Huberman, 1994) on the relationship between TMA and organizational activity in the context for strong coercive pressures for change by the government. This was done in two stages. In the first stage I used inductive quantitative analysis for theory development (Palmer, 2006). This was implemented by testing for differences in means on institutional attention, TMA and organizational activity on the three issues through a series of parametric (e.g., ANOVA) and non-parametric tests (e.g., Kruskal-Wallis). At the broadest level, this analysis showed how the three issues received different levels of attention and action by AHW, top managers and RHAs. This suggests that the three issues appear to have been proposed, interpreted and acted upon in different ways. In the second stage of data analysis, I directly addressed the research question by identifying the extent of organizational activity on the three issues and then relating it to TMA and institutional attention. This was done by identifying broad themes in the data, reducing them into categories and looking for patterns (e.g., Eisenhardt, 1989; Maguire et al. 2004: 622).

--- INSERT FIGURE 3.2 ABOUT HERE ---

Specifically, analyses in this phase pointed to an important role for issue criticality – an aspect that was only briefly developed in Chapter 2. Repeated iterations of data led me to conclude that issue criticality comprised of three

aspects; namely comprehensibility (Suchman, 1995), speed of resolution (e.g., Dutton and Jackson, 1987) and consistency with past practices (e.g., Oliver, 1991). Figure 3.2 shows the progression of elaboration of this concept. This was achieved by moving from “first-order” concepts (or informant concepts) to “second-order” themes (researcher concepts) that are at a higher level of abstraction, and eventually to “aggregate analytic dimensions” (e.g., Gioia and Chittipedi, 1996: 375-376; Maitlais and Lawrence, forthcoming; Van Maanen, 1979: 540-541). For purposes of clarity, I have shown the progression of analyses for the issue of wellness. The figure shows how first order concepts (e.g., availability of resources) led to second order themes (e.g., low availability of resources led to low plausibility that the issue could be resolved) and eventually to aggregate analytic dimensions (e.g., low plausibility and low predictability led to low comprehensibility) on wellness.

Steps taken for within-case and between-case pattern identification were helpful in two ways: (1) it elaborated an additional construct – issue criticality – which was represented by three categories; and (2) it identified how institutional attention and issue criticality might potentially affect TMA, top managerial rhetorics that are used, and organizational activity.

Strengths and Limitations of this Research Design

In summary, a two-stage mixed methods research design was adopted using secondary data in this study. The first phase tested the four hypotheses

using quantitative applications of content analysis; and the second phase cross-validated these results and further elaborated on them using additional data sources with both qualitative and quantitative applications of content analysis. Like most research designs, this one is not without its strengths and limitations.

Strengths. First, such a design helps to enhance validity through the use of “triangulation” or “convergent validation” techniques (Jick, 1979: 602). At minimum, triangulation helps to attain a more modest goal of “complementarity” as the use of qualitative methods in Phase 2 of my study attempted to “more fully explain the results of analyses” (Yauch and Steudel, 2003: 466) obtained in Phase 1. This helped to facilitate the elaboration of the theoretical framework (Strauss, 1987; Vaughan, 1992) that was developed in Phase 1. The two components of triangulation are “within method” and “between methods” (Denzin cited in Jick, 1979: 23). Within method triangulation implies the use of more than one scale or index to measure the same construct in the case of quantitative data analysis. Convergence in results across separate measures, through within method triangulation, enhances reliability, which is a pre-requisite for validity. For example, multiple measures were used for institutional attention and TMA. Between methods triangulation implies the use of more than one method and is a test for validity to see whether the use of two separate methods, generally on separate data, leads to similar results. Its scope is beyond within method triangulation (Jick, 1979; Seale, 1999). For example, TMA and organizational

activity were measured and operationalized using separate data sources (or components) in Phase 2. This helped to cross-validate results of Phase 1.

The second strength of this design was the use of secondary data with rich textual accounts published by multiple agencies. Such data is being increasingly used in both institutional and attention-based theories as both theories are interested in the role of discourse and language in shaping organizational activity (Oakes et al. 1998; Ocasio and Joseph, 2005). For example, Meyer and Rowan (1977: 349) propose that “evolution of organizational language” should be studied by institutional theorists. Scandura and Williams (2000) explain how the use of secondary data in research has been steadily increasing over the last decade, with the percentage of studies using secondary data analysis as the primary research strategy has increasing from 16.1% in 1985-1987 to 26.6% in 1995-1997. The advantages of such data include that it is: (1) available across time; (2) available across multiple and comparable organizations; (3) available across levels of analysis; (4) economical; (5) valid considering that accuracy in documents is necessary due to quasi legal reasons; and (6) offers “access to managers’ (executives) interpretations” (Fiol, 1995: 524) which might, otherwise, not be available. These advantages have been validated in previous discussions of such data (Boyd, Dess and Rasheed, 1993; Fiol, 1995; Payne et al. 2003; Scandura and Williams, 2000; Ventresca and Mohr, 2002).

Limitations. The first limitation is inherent to several mixed-methods frameworks. These include concerns with (1) interpretation of results in case of

divergence of findings across various methods (Jick, 1979; Seale, 1999: 58); (2) execution of such frameworks tend to be relatively complex and hard to replicate (Jick, 1979: 609); and (3) the intent of these frameworks considering that “triangulation only makes sense from within a positivist framework” (Seale, 1999:56). Wherever feasible, actions were taken to address these limitations. For example, when there was divergence in results between two methods, additional data was collected and analyzed, an example in point being analysis of additional documents to understand organizational response to the issue of home/community. To facilitate simplicity in execution and replicability of findings, I followed a prestructured case analysis format (Miles and Huberman, 1994) and used multiple coders. Also, I moved beyond the quantitative evidence and exhaustively relied upon qualitative evidence to understand and interpret results in Phase 2.

The second limitation of such a research design is inherent in studies that use secondary data (Boyd et al. 1993; Fiol, 1995; Hitt et al. 1998; Payne et al. 2003; Scandura and Williams, 2000; Ventresca and Mohr, 2002). These include: (1) difficulties in coding as the data is voluminous and contain lots of unnecessary information; (2) potentially unscientific as such information is generally created for non-research purposes; and (3) rhetorical and impression management content making it difficult for “researchers do not know the authors of these documents and do not know much about the conditions under which they were written” (Fiol, 1995: 532). These data used in the dissertation offer only

some evidence on the relationship between TMA and organizational activity in the face of institutional pressures. Importantly, secondary data fails to capture informal dynamics that might also affect how organizations respond to institutional pressures. For example, while the truthfulness of documents published by the government have been taken at face value, it is possible that a shared understanding of sorts existed between the government and top managers on extent of compliance needed on different issues. Getting access to such insights would require different types of data such as through interviews or focus groups to validate what all might have happened behind the scene.

The above strengths and limitations of the research design involve a trade-off of sorts. Despite these limitations, secondary data has been used successfully in several studies. Steps such as structured analysis, reliability tests, data triangulation, researcher triangulation and method triangulation were employed wherever feasible to address potential limitations.

Summary

This chapter describes the two-stage research design adopted in this study. The empirical setting is the full population of RHAs in Alberta over the period 1994-2002. I used secondary sources of data such as annual reports and newspaper articles in order to elaborate on the relationship between TMA and organizational activity in the context of coercive pressures. I adopted a mixed-methods approach starting with quantitative applications of content analysis for theory-testing in Phase 1 followed by mixed applications of content analysis –

both qualitative and quantitative – for theory-elaboration in Phase 2. Content analysis was used to analyze data in both phases as it ensured reliable and structured analysis of the data. Triangulation activities such as the use of multiple methods, multiple coders and multiple data sources were conducted so as to enhance the validity of the findings. The use of longitudinal data addresses issues of relevance and plausibility. A study of the full population of organizations in a geographically-defined field was conducted to avoid sampling bias or concerns with generalization of findings. For purposes of this study, data analysis has been limited to testing the four hypotheses and elaborating the evidence without getting into further detail on the relationship between TMA and organizational activity across temporal and spatial boundaries. Future work could look at these trends and differences across time and type of RHAs.

Table 3.1: Descriptive Statistics for the Sample

Variable	N	Minimum	Maximum	Mean	Standard Deviation
1 Area in sq/km	17	4,742	116,000	38,661	27,703
2 Population	17	20,769	987,284	180,716	283,389
3 # of people above the age of 75	17	262	37,331	7,566	11,042
4 Percentage of people above the age of 75	17	0.58	7.24	4.0106	1.77
5 Average personal income for people above the age 15	17	\$ 21,824	\$ 35,741	\$ 24,902	\$ 3338.74
6 % in urban areas	17	18	96.6	57.78	21.91
7 % with postsecondary education	17	33	58.3	47.8	6.01
8 Population density (people per sq/km)	17	0.15	164.07	21.33	53.29
9 % family low-income	17	8.2	20.4	12.6	3.16
10 % Aboriginal	17	1.6	45.5	10.6	11.92
11 Total revenue in millions of \$	17	\$ 17.85	\$ 1390.03	\$ 231.78	416.97
12 Expenditure on continuing care in millions of \$	17	\$ 1.43	\$ 182.76	\$ 29.78	52
13 Overall expenditure in millions of \$	17	\$17.85	\$ 1,388.20	\$230.07	416.80
14 Number of employees	17	328	18,138	3,412	5341

Note: This data was collected from the annual reports of RHAs and Stats Canada (Hinings, Sonpar, Golden-Biddle, and Reay, 2004).

Table 3.2: Phases of the Study and Data Sources being used*

	DOCUMENT	COMPONENT OF DOCUMENT	PROCESSING OF DATA
PHASE 1			
Step 1. Institutional attention	AH annual reports (1995-2002)	Minister's Message (30 pages)	Issues identified at the level of sentence
Step 2. Institutional attention	AH annual reports (1995-2002)	Complete document (500 pages)	Index on issues was created at the level of the activity
Step 3. TMA	RHA annual reports (1995-2002)	Cover-letter (350 pages)	Used measures of TMA suggested by D' Aveni and MacMillan (1990)
Step 4. Organizational Activity	RHA annual reports (1995-2002)	Financial Statement (450 pages)	Proportion of expenses on an issue
PHASE 2			
Step 1. State of healthcare in Alberta	AG of Alberta's annual reports (1995-2002)	Section of document that specifically discusses healthcare (250 pages)	Compared and contrasted it with results of Phase 1 to facilitate triangulation (Jick, 1979)
Step 2. TMA	Newspapers	Articles in which top managerial statements exist (450 pages)	Coded which all issues received TMA and compared it with Step 3 of Phase 1 to facilitate triangulation through new data (Jick, 1979)

Step 3. Organizational Activity	RHA annual reports (1995-2002)	Complete document (4000 pages)	Coded extent of structural elaboration that occurred on a sample of 11 RHAs (n = 88) over the sample period to facilitate triangulation of organizational activity with new data (Jick, 1979)
Step 4. Between-methods triangulation	Previous results, memos/field-notes, tabulated data	Results obtained in Phase 1 and results of coding done in first 3 steps of Phase 2 (138 pages)	Compared across documents to cross-validate whether different documents convey similar results (e.g., Jick, 1979; Seale, 1999)
Step 5. TMA and Organizational Activity	AHW Updates to Citizens of AB, Business Plans published by RHAs, The Broda Report	Only specific areas of interest were investigated (900 pages)	Memos were made to further understand the major concepts
	All documents	Results obtained in Phase 1 and open-coding done in first 3 steps of Phase 2	Described how events occur across levels of analysis and time using within-case and between-case comparison (e.g., Eisenhardt, 1989)

* Approximately 7,050 pages of data were analyzed in this dissertation

Table 3.3: Planning Components in AHW Annual Reports

	Vision	Mission	Core Business	Goals	Actions	Performance Measures	Future Challenges	Total
1995	---	---		4	41	17	6	68
1996	1	1	4	16	36	29	7	94
1997	1	2	4	11	71	21	10	120
1998	1	1	4	10	45	18	4	83
1999	1	1	4	9	43	19	4	81
2000	1	1	2	4	39	13	6	66
2001	1	1	2	4	45	14	4	71
2002	1	1	2	4	109	14	3	134

Table 3.4: Code-Book on the Various Types of Rhetorics

	Assertion	Validation with Justification or Attribution	Validation without Justification or Attribution
Focus	Values	Action	Action
Tense	Future	Past/Present	Past/Present
Tone	Passive	Active	Active
Scope	Broad and ambiguous	Quite specific	Quite specific
Common keywords	Believe, think, feel, agree, we can, must seek to, we value	Due to, because of, while, despite, although, without	-----
Emphasis	What needs to be done?	Why was it acted upon or why is it being acted upon?	What was acted upon or what is being acted upon?

Table 3.5: Examples of Assertion (Wellness)

Focus	Values	"Our Annual Report is titled Healthy People, Healthy Communities" (Chair, RHA 8, 1995-96)
Tense	Future	"Together we can build healthier communities" (CEO, RHA 1, 1999-2000)
Tone	Passive	"Good health is something everyone wishes for themselves, families and friends" (Chair and CEO, RHA9, 1997-1998)
Scope	Broad and ambiguous	"The business of enhancing health in our communities is a big job" (Chair, RHA 9, 1999-2000)
Common keywords or phrases	Believe, think, feel, agree, must seek to, plan, listen, care	"We must seek to balance 'treatment services' with services directed to promoting health and wellness for residents..." (CEO, RHA 5, 2000-01)
Emphasis	What	"We value our partnerships with municipal bodies, our MLA's, the Department of Health and the many other organizations working to improve the health status in our region" (Chair and CEO, RHA 3 1997-98: 3)

Table 3.6: Examples of With Justification (Administrative Efficiency)

Focus	Action	"Our success in eliminating the projected deficit can be attributed to additional government funding and their (AHW) recognition of our fast growing population..." (Chair, RHA 6, 1998-99)
Tense	Past/Present	"Unfortunately we had to reduce services and lay off staff throughout the region (so as to avoid a deficit)" (Chair and CEO, RHA 3, 2001-02)
Tone	Active	"The Region continues to make appropriate changes to lessen the financial load without sacrificing quality of service." (Chair and CEO, RHA 14, 2001-02)
Scope	Quite specific	"This (funding cuts by AHW) necessitated a mid year plan to reduce our spending to avoid a \$2 Million deficit" (Chair and CEO, RHA 3, 2001-02)
Common keywords or phrases	Due to, because of, while, despite, although, without, after receiving directions, so as to, feedback, attributed to	"After receiving direction from the minister regarding boundary changes in December 2002, the Board and ECH staff worked diligently to ensure a smooth transition in both governance and delivery of services" (Chair, RHA 7, 2002-03)
Emphasis	Why	"We anticipate, however, significant cost pressures over the next three years due to community expectations and recent labour settlements" (Chair, RHA5, 2000-2001)

Table 3.7: Examples of Without Justification (Home/ Community)

Focus	Action	"During the past year, we restructured our management and delivery mechanisms to put our health services on a more locally based and community responsive basis" (CEO, RHA 3, 1999-2000)
Tense	Past/Present	"In the 2000-2001 reporting period, the staff and physicians in HA5 have continued to meet the challenges of responding to the needs of our residents, including...home care services to over 1650 residents..." (Chair, RHA5, 2000-2001)
Tone	Active	"We also recognized one of our goals when, in December, a total of \$ 100,000 was transferred from the acute care program to community care" (Chair and CEO, RHA 14, 1995-96)
Scope	Quite specific	"Home Care services for short term patients has nearly tripled in the past two years." (Chair and CEO, RHA 10, 1995-96)
Common keywords or phrases	-----	"For example, seven new beds opened at Salvation Army's Agape Hospice are providing palliative care for patients with urgent need in the community, while taking pressure off hospitals beds" (Chair and CEO, RHA 4, 1999-2000)
Emphasis	What	"The Region also furthered existing partnerships in areas such as Primary Health Services and enhanced existing partnerships to develop a number of important projects such as Supportive Housing" (Chair, RHA 7, 2000-2001)

Table 3.8: List of Newspaper Articles (By Search Criteria)

Search Criteria	Number of Articles
CEO + Regional + Health	16
CEO + Health + Region	13
CEO + Health + Authority	4
Chair + Regional + Health	15
Chair + Health + Region	2
Chair + Health + Authority	3
Chairman + Health + Regional	15
Chairman + Health + Authority	11
Director + Regional + Health	45
Director + Health + Region	43
Director + Health + Authority	8
President + Regional + Health	75
President + Health + Region	37
President + Health + Authority	12
Board + Regional + Health	27
Board + Health + Region	16
Board + Health + Authority	4
Chief + Executive + Officer + Regional + Health	3
Chief + Executive + Officer + Health + Region	2
<i>Total articles</i>	<i>351</i>

Table 3.9: Top Managerial Statements in Newspapers (By Year)

Year	Number of Articles	Number of Top Managerial Statements
1994	2	2
1995	5	6
1996	2	2
1997	1	5
1998	5	5
1999	5	6
2000	24	34
2001	9	9
2002	40	51
<i>Total</i>	93	120

**Table 3.10: Code-Book for Quantum of Structural Elaboration on Issues in
Annual Reports Published by RHAs**

Level	Quantum	Keywords
1	<i>Planning</i>	Collecting information, assessing information, surveying, deliberating, analyzing, evaluating, investigating, set up meetings
2	<i>Rules/ Committee</i>	Created a committee/task-force, formalized rules or policies, Board approval, standardized protocols, established procedures/ guidelines
3	<i>Programs</i>	Program, initiatives, project, partnership with another entity
4	<i>Infrastructure</i>	Staff allocations, technology, buildings, equipment, money

Figure 3.1: Prestructured Case Analysis Outline for Phase 2

- 1. State of healthcare as interpreted by the AG of Alberta (1995-2002)**
 - (a) How is the Ministry of Health performing?
 - (b) Is there any reference to effectiveness/ineffectiveness of Ministry of Health with regard to its control over subordinate entities (e.g. RHAs)?
 - (c) How does this evidence compare with results of a weak institutional effect in Phase 1?

- 2. Top managerial statements in newspapers**
 - (a) What issues are raised by top managers in the newspapers?
 - (b) What are the trends and differences on TMA to issues across time?
 - (c) How does TMA in newspapers compare with TMA in annual reports?
 - (d) What additional insights are offered in newspaper articles on state of healthcare?

- 3. Structural elaboration in RHA annual reports**
 - (a) How does structural elaboration occur in response to issues?
 - (b) Does structural elaboration vary across issues?
 - (c) Does structural elaboration vary across type of RHAs?
 - (d) How does structural elaboration to issues compare with expenses on issues?

- 4. Relationship between TMA and organizational activity**

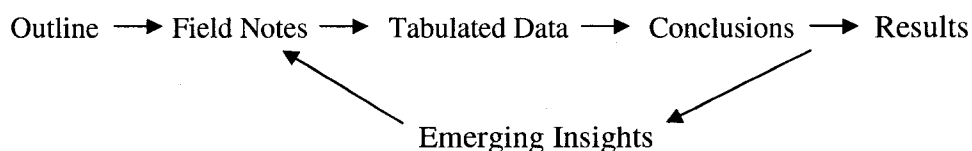


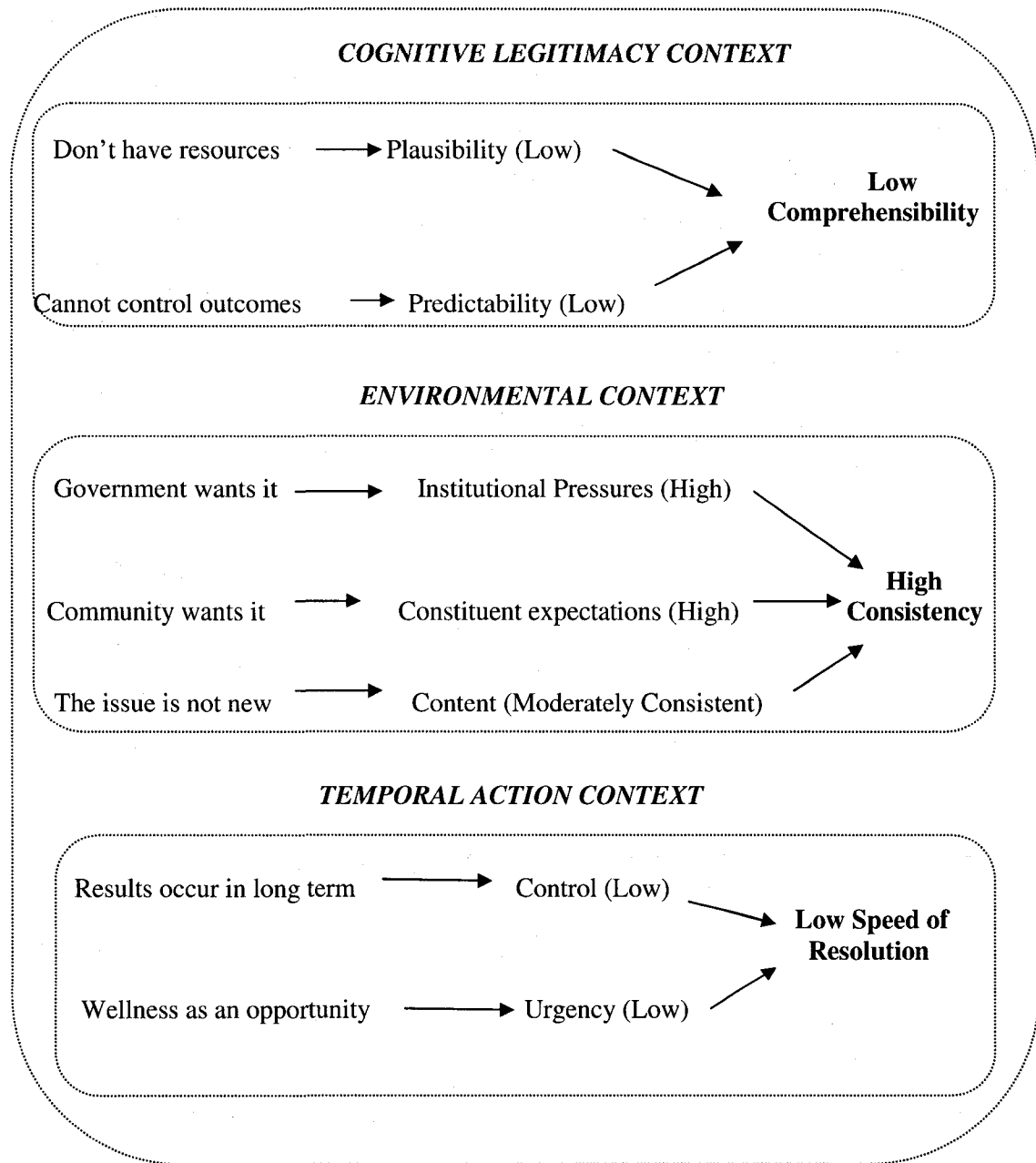
Figure 3.2: Progression of Qualitative Analysis to Elaborate Issue Criticality

(Wellness)

**First Order
(Top Manager) Concepts**

**Second Order
Themes**

**Aggregate Analytic
Dimensions**



CHAPTER 4: RESULTS OF PHASE 1

In the first phase of the study, I used quantitative applications of content analysis to investigate the four hypotheses that were developed in Chapter 2 using the principal data-set. The principal data-set comprised of two data sources: (1) annual reports published by AHW over the period 1995-2002; and (2) annual reports published by the complete population of 17 RHAs over the period 1995-2002. The annual reports published by AHW serve as evidence of institutional attention and the annual reports published by the 17 RHAs serve as textual evidence of TMA, top managerial rhetorics and organizational response to these coercive pressures. At the broadest level, I find strong support for three hypotheses and modest support for one.

First, I find support for the hypothesis that greater the institutional attention to an issue, the greater is the TMA on that issue. This serves as evidence of compliance to coercive pressures as predicted in institutional theory at least at the top managerial level. Consistent with the model developed in Chapter 2, I find that institutional authorities raise multiple issues and these issues receive different quantum of attention.

Second, I find that the greater the TMA on an issue, the greater is the organizational activity on that issue. While I find strong evidence supporting the relationship between TMA and organizational activity, the direct evidence of institutional attention on organizational activity is weak at best. This finding has implications for institutional theory, which under-emphasizes the role of top

managers on organizational activities in the face of institutional pressures. This finding also contributes to the attention-based literature (e.g., D'Aveni and MacMillan, 1990; Edelman et al. 2001; Ocasio, 1997) by establishing that top managerial discourse is not merely symbolic but in fact leads to substantive organizational activity.

Third, I find modest support for the hypotheses that greater rhetorics of assertion will be associated with lower organizational activity. While the sign of all statistical tests is in the predicted direction, the coefficient is not significant in one of the three robustness tests. It appears reasonable to conclude that assertions were being used as a symbolic substitute for action, or at minimum that rhetorics of assertion do not lead to action. This finding has implications for institutional theory as it empirically establishes how responses to coercive pressures will be captured in top managerial discourse (Green, 2004; Oakes et al. 1998; Phillips et al. 2004). From a methodological standpoint, this finding also contributes to some literature (e.g., Fiol, 1995; Jehn, 1997; Zajac and Westphal, 1995) which argues in favor of taking the role of rhetoric in top managerial discourse into account while analyzing corporate communications.

Fourth, I find strong support for the hypothesis that greater rhetorics of validation will be associated with greater the organizational activity. The empirical analysis also showed two distinct uses of validation; namely those that used justifications and those that did not use justifications. While both these rhetorics of validation lead to organizational activity, rhetorics that use

justification have a stronger effect on organizational activity than rhetorics that do not use justification. This finding is somewhat contradictory to some literature (Green, 2004; Staw et al. 1983: 582) which would predict that institutionalization or acceptance of a practice is associated with lesser justification and, perhaps, greater organizational activity. For example, Staw et al. (1983: 582) argue: “the wider the gap between professed rationality and actual behavior, the stronger may be forces to justify one’s actions to oneself and others.” However, this finding might not be surprising considering Pfeffer’s (1981: 6) corollary theoretical rationalization that “activity or decisions may precede the justification, just as behavior frequently precedes the attitude that is constructed so as to be consistent with that behavior.” It is also consistent with Phillips et al. (2004), who propose that just as text leads to actions, the vice versa also occurs.

---INSERT TABLE 4.1 ABOUT HERE ---

Descriptive Statistics

Institutional Attention. I used two measures of institutional attention. The first measure was created using the Minister’s Message in the AHW annual reports and is defined as Ministerial Attention. The second measure uses the rest of the annual report and is defined as AHW Attention (or Index). Panel A of Table 4.1 highlights the trends in Ministerial Attention to the eight issues identified over the period 1995-2002, and Panel B highlights the trends in AHW Attention (Index) over the time period. At first glance, the most striking change in Ministerial Attention is on the issues of administrative efficiency and wellness.

In 1995, approximately 42.9% of Minister's Message had focused on administrative efficiency while none had focused on wellness. In 2002, the trends had changed with only 15.2% of sentences discussing administrative efficiency as opposed to 33.3% of sentences discussing wellness. A similar trend is also noticed in the rest of the document (AHW Attention) where administrative efficiency received the greatest emphasis in 1995 (38.3%) while wellness received the greatest emphasis in 2002, with 61.3% of all planning components referring to wellness.

--- INSERT TABLE 4.2 ABOUT HERE ---

Panel A of Table 4.2 reports evidence on the evolution of Proportionate Ministerial Attention to issues calculated by using an OLS regression with institutional attention as the dependent variable and time (measured in years) as the independent variable. Although there is a modest but statistically significant decrease in Ministerial Attention to issues of administrative efficiency ($\beta = -0.03$; $p < .10$;) and quality ($\beta = -0.045$; $p < 0.10$) over time, there is no difference in attention to the rest of the issues. The high levels of attention on quality and administrative efficiency in the early years point me to believe that the changes were being ushered through a discourse on quality and administrative efficiency in the early years of regionalization.

Panel B of Table 4.2 presents trends in AHW Attention over time using an OLS regression on the index that had been created to measure institutional attention. It highlights that while there was an increase in attention to wellness (β

= 0.033; $p < .05$) and patient focus ($\beta = 0.021$; $p < 0.10$), there was a decrease in the attention to home/community care ($\beta = -0.011$; $p < .05$). However, there were no differences in institutional attention on the remaining five issues.

--- INSERT TABLE 4.3 ABOUT HERE ---

TMA. A total of 135 out of full sample of 136 annual reports were analyzed in order to code for TMA. The only annual report that was missing was the 2002-2003 report of WestView RHA. Of these 135 annual reports, letters/executive summaries were present in only 123 annual reports, and this number represents roughly 90.44% of potential instances of TMA that could be coded. Table 4.3 reports descriptive statistics on the cover-letters included in the sample. The number of cover letters used varied from a low of 14 out of a maximum of 17 in the years 2000 and 2002, to a high of 17 in the year 1995, with the median of 15.5. The average length of cover letters ranged from 22.64 sentences in 2002 to 32.53 sentences in the 1998, with a median of 31.165. The length of letters was highest for urban RHAs (mean = 44.94 sentences), followed by rural RHAs (mean = 30.05 sentences) and lowest for regional RHAs (mean = 21.83 sentences).

---INSERT TABLE 4.4 ABOUT HERE ---

Panel A of Table 4.4 reports descriptive statistics on the evolution of proportionate TMA to issues. While the issue of administrative efficiency received the greatest quantum of TMA in 1995, it was staff related concerns that received the greatest TMA in 2002. Panel B of Table 4.4 presents evidence on the

evolution of TMA to the eight issues over time. I estimated an OLS Regression using time as the independent variable and proportion of TMA as the dependent variable (n= 123). On the one hand, TMA on quality ($\beta = 0.006$; $p < .10$), wellness ($\beta = 0.009$; $p < .10$), and staffing ($\beta = 0.015$; $p < 0.01$) increases over time. On the other hand, there is a significant decrease in TMA on administrative efficiency ($\beta = -0.034$; $p < .001$) and patient focus ($\beta = -0.013$; $p < .01$). However, there is no difference in TMA to issues of home/community, technology and increased funding over the sample period.

--- INSERT TABLE 4.5 ABOUT HERE ---

While proportionate TMA was used as the primary measure of TMA, two additional measures – absolute attention and focus of attention – developed by D’Aveni and MacMillan (1990) were computed to check the robustness of the results obtained by using the proportionate TMA measure. Focus of TMA measures how much TMA is paid to an issue relative to other issues, and controls for how relevant the sentences in each letter are for the purpose of the study. Absolute TMA is calculated by measuring the actual number of times an issue receives TMA and does not control for either the length of the letter or the relevance of sentences in the letter. The correlation between these three TMA measures is reported in Table 4.5. As suggested from previous theory, all three measures are highly correlated ($p < .001$).

Organizational Activity. Expenses were only available for four issues out of the eight identified by the coders. The four issues were administrative

efficiency, as understood by administrative costs where lower expenses would imply greater commitment to administrative efficiency; wellness, as deciphered by expenses on promotion, prevention and protection activities; home/community, as deciphered by expenses on home/community programs; and technology, as deciphered from expenses on information technology. Expenses in dollars on issues appear to be the most valid measures of organizational activity as budgetary allocations are limited. Therefore, the quantum of expenses on an issue serves as substantive evidence of organizational commitment to a particular issue (Pfeffer, 1981; Powell, 1985: 566).

--- INSERT TABLE 4.6 ABOUT HERE ---

Table 4.6 details average expenses in both percentage and actual terms across the four issues identified in the balance sheet of the annual reports published by the RHAs in the eight year period 1995-2002. As shown in Panel A of Table 4.6, the average administration costs fell from approximately 10.56% to roughly 5.58% of total expenses over the sample period (a 47.16% decrease), indicating that over time RHAs became more attentive to administrative efficiency and reduced expenses. Administration costs across RHAs ranged between 5.22% and 20.87% in 1995; and between 2.65% and 8.91% in 2002. Average expenses on wellness (promotion, protection, and prevention) rose from 3.71% to 4.69% over the sample period, showing an increase of approximately 26.43% over the sample period and pointing to a modest increase in the importance of the issue. Expenses on wellness ranged from 2.11% to 7.88% in

1995, and 1.11% to 8.07% in 2002. Average expenses on home/community rose from 5.12% to 7.31% over the sample period representing an increase of roughly 42.65% over the sample period. Expenses on home/community ranged from 3.55% to 8.92% in 1995, to 3.8% to 13.59% in 2002. Average expenses on technology (information technology) rose from an average of 1% in 1996 to 1.9% in 2002, representing an increase of approximately 93.03%. Expenses on information technology ranged from 0.1% to 3.27% in 1996, and 1.08% and 3.31% in 2002.

--- INSERT TABLE 4.7 ABOUT HERE ---

Table 4.7 shows trends in expenses on administrative efficiency, wellness, community/home and technology over the sample period. There is a significant decrease in expenses related to administration costs ($\beta = -.006$; $p < .05$), which implies that organizations became more conscious of administrative efficiency over time. There was a significant increase in expenses on home/community ($\beta = .002$; $p < .01$) and information technology ($\beta = .002$; $p < .01$) showing increasing importance of these issues. However, expenses on wellness do not change significantly over time, implying that wellness was not substantively acted upon.

--- INSERT TABLE 4.8 ABOUT HERE ---

Rhetorics of Assertion and Validation (Justification and Without Justification). A total of 92 cover letters were used to code for rhetorics and a total of 2,765 sentences were coded in total (see Table 4.8). The length of cover letters varied from a low of 20.10 sentences per letter in 2002 to a high of 34

sentences per letter in 1995. These figures are quite comparable to the overall sample of 123 letters which had a low of 22.64 in 2002 and a high of 32.54 in 1998 and 32 in 1995. An average of 11.5 signed letters was available per year. The minimum number of letters that could be analyzed in a given year was 9 in 1997 and the maximum was 16 in 1995.

--- INSERT TABLE 4.9 ABOUT HERE ---

Table 4.9 further illustrates the details of the coding. A total of 682 out of 2,765 sentences were coded into one of the three categories – assertion, justification, without justification – over the three issues. Approximately 24.66% of sentences were coded into one of the nine possible combinations between type of issue and type of rhetorics. 219 statements used rhetorics of assertion, 162 used justification, and 301 were without justification. Hence, assertion represented approximately 33.1% of total discourse and supports the presence of symbolic aspects of communication (e.g., Feldman and March, 1981; Pfeffer, 1981). The use of a final sample of 682 statements to infer latent content of communications compares favorably with earlier studies. For example, Bettman and Weitz (1983: 174) used 481 statements to study attributions used by organizations to explain their performance.

--- INSERT TABLE 4.10 ABOUT HERE ---

Table 4.10 reports descriptive statistics on top managerial rhetoric on the three issues – administrative efficiency, wellness, and home/community – calculated using the emphasis of attention measure proposed by D’Aveni and

MacMillan (1990: 644). Emphasis of rhetoric is calculated by measuring the relative allocation of rhetoric within an issue. The use of each rhetoric is measured relative to the others. Emphasis of rhetoric is an appropriate measure in order to understand the evolution of rhetorics on an issue relative to each other. As shown in Table 5.10, assertion is used the least for home/ community issues (24.86%) while wellness is most likely to be asserted when discussed (47.6%). Wellness is the least justified issue (7.68%) while administrative efficiency is the most justified issue (29.65%). Statements without justification are used most often for home/community issues (57.59%) and least for the issue of administrative efficiency (43.58%).

--- INSERT TABLE 4.11 ABOUT HERE ---

Table 4.11 shows trends in the emphasis of top managerial rhetorics over the sample period. There appears to be a significant decrease in top managerial assertion ($\beta = -0.028$; $p < .1$) and an increase in validation without justification over time ($\beta = 0.025$; $p < .05$). However, there is no difference in validation with justification. These overall trends appear consistent with what one would expect to happen as practices get institutionalized (e.g., Green, 2004). Regarding trends on assertion on each issue, assertion on home/community decreases over time ($\beta = -0.059$; $p < .05$) while assertion on wellness and administrative efficiency does not change, although the signs are in the predicted direction. Further, I document an increase in justification of home/community ($\beta = 0.046$; $p < .05$) and a decrease in justification of wellness ($\beta = -0.022$; $p < .05$). However, the use of

validation with justification remains stable over time. Finally, while there is an increase in validation without justification on administrative efficiency ($\beta=0.026$; $p < .1$), the use of validation without justification on wellness or home/community remains stable over time.

Hypothesis 1: Greater the Institutional Attention, Greater the TMA

The two key variables for the test of hypothesis one are institutional attention (independent variable) and TMA (dependent variable). These variables were calculated using two separate measures of TMA – proportionate and focus – advocated by D’Aveni and MacMillan (1990: 643-644). Proportionate attention is computed by counting the number of sentences that mention an issue relative to the total number of sentences in a letter. This measure controls for letter length. Focus of attention measures how much attention is paid to an issue relative to other issues. This measure controls for relevance of sentences in a given letter from the standpoint of the study.

--- INSERT TABLE 4.12 ABOUT HERE ---

Table 4.12 shows the correlation between the two measures of institutional attention and TMA using the proportionate measure of attention across all eight issues identified by the coders. The TMA measure is lagged by a year so as to account for the lagged effect of institutional directives (or coercive pressures) upon TMA. Ministerial Attention is correlated with both AHW Attention ($\rho=0.487$; $p < .01$) and TMA ($\rho = 0.314$; $p < .02$). I also find a modestly significant relationship between the AHW Attention and TMA ($\rho=0.252$; $p < .10$).

At the broadest level, these results support the hypotheses that greater institutional attention as evidenced through Minister's Message and AHW documents (AHW annual reports) lead to greater TMA.

The hypothesis was further investigated in two separate ways. First, I tested it by using different specifications of an OLS regression with average values of institutional attention and average values of TMA. This measurement technique is consistent with the attention-based literature that studies TMA (e.g., D'Aveni and MacMillan, 1990; Salancik and Meindl, 1984). As an example, the OLS Regression can be represented by the equation $Y_{i,t} = \alpha + \beta X_{i,t-1} + \epsilon_{i,t}$, where $Y_{i,t}$ is the average TMA across the 17 RHAs in year 't' on issue 'i'; $X_{i,t-1}$ is the institutional attention on issue 'i' in year t-1; α and β are the intercept and slope of the regression line respectively; and $\epsilon_{i,t}$ is the error term. Second, as a robustness test, I also estimated a logistic regression for panel data using individual values of TMA. This can be represented by the equation $I_{i,k,t} = \alpha + \beta X_{i,t-1} + \epsilon_{i,k,t}$, where $I_{i,k,t}$ is a dichotomous variable taking value 1 if issue 'i' was mentioned by RHA 'k' in year 't' and 0 otherwise; $X_{i,t-1}$ is a continuous variable which measures the proportion of institutional attention on issue 'i' in year 't-1'; α and β are the intercept and slope of the regression line respectively; and $\epsilon_{i,k,t}$ is the error term. The main advantages of using a logistics regression are that one can measure effects of issues raised by institutional authorities across individual organizations, and one can also test whether or not greater institutional attention affects whether or not issues get TMA. A limitation of a logistic regression is that

the use of dichotomous categories cannot account for the quantum of TMA. The different measures of attention and the various specifications of regressions support the hypothesis and lead to the same conclusion that institutional attention affects TMA.

--- INSERT TABLE 4.13 ABOUT HERE ---

Panel A of Table 4.13 reports the results of the estimated OLS regression (n = 56). Model 1 was estimated in a univariate setting with institutional attention as measured by the Minister's Message (institutional attention) as the independent variable and average lagged TMA across RHAs as the dependent variable. I find that greater Ministerial Attention to an issue leads to greater TMA on that issue ($\beta = .198$; $p < .05$). The Minister's Message explains 9.88% of variance in TMA. Model 2 was also estimated in a univariate setting with institutional attention, as measured by AHW Attention (Index of annual report) as the independent variable, and average lagged TMA as the dependent variable. The effect of AHW Attention on TMA is only modestly significant ($\beta = .116$; $p < .10$). AHW Attention explains roughly 6.36% of variance in TMA. Model 3 was estimated in a multivariate setting with the both measures of institutional attention (Minister's Message; AHW Attention) and number of sentences in the Minister's Message to control for letter length as the independent variables, and the average lagged TMA as the dependent variable. The overall model is significant ($p < .05$) and explains 11.2% of variance in TMA. The effect of Minister's Message on TMA is modestly significant ($\beta = .16$; $p < .10$) while the

effect of AHW Attention on TMA is not significant ($\beta = .059$; $p > .10$). Overall, the results of the three OLS regressions point to the Minister's Message being the most crucial predictor of TMA in subordinate organizations. The effect of the rest of the planning document (Index/AHW Attention) on TMA is modest at best.

As a robustness test, the hypothesis was retested using a logistic regression on individual TMA across RHAs ($n = 123$). In the first specification of Panel B, I estimate a logistic regression where the dependent variable is a dichotomous variable taking on the value 1 if an issue receives TMA in a given year, while the independent variable is institutional attention as calculated using the Minister's Message in the previous year. The coefficient on the independent variable is positive and statistically significant ($\chi^2 = 27.41$; $p < .01$), suggesting that organizations are more likely to devote TMA to issues that receive greater institutional attention. In the second specification of Panel B, I estimate a logistic regression where the dependent variable is again lagged TMA and the independent variable is institutional attention measured by AHW Attention (Index). The coefficient on the index of institutional attention is positive and statistically significant ($\chi^2 = 48.27$; $p < .01$) and confirms that issues that receive greater institutional attention are more likely to receive TMA. The two measures of institutional attention respectively explain roughly 3.6% and 7.9% of the likelihood that an issue raised by AHW in year 'y' will receive TMA in 'y' + 1.

Overall, the various tests support the hypothesis that the greater is the institutional attention to an issue, the greater is the TMA to that issue. In the

logistics regression, both measures of institutional attention greatly affect whether or not an issue receives TMA.

However, in the OLS regression, institutional attention as predicted by the Minister's Message is the only measure that consistently impacts TMA. In contrast, effect of AHW Attention upon TMA is modest. These results highlight the important role of discourse by powerful spokespersons of institutional agencies upon the dissemination of attention in the field.

Hypothesis 2: Greater the TMA, Greater the Organizational Activity

The key variables for the test of this hypothesis are TMA to an issue (independent variable) and organizational expenses on that issue (dependent variable). Proportionate attention to an issue is used as a primary measure of TMA, while proportionate expenses on that issue are used as the measure of organizational activity. Focus of TMA and absolute TMA were used as secondary measures of TMA to ensure robustness of results.

--- INSERT TABLE 4.14 ABOUT HERE ---

Table 4.14 reports the correlation between the four measures – proportionate TMA, focus of TMA, absolute TMA, organizational expenses – being used to test hypothesis 2. The table shows that the four measures are highly correlated ($p < .001$). The strong correlation between proportionate TMA and the other two TMA measures confirms that proportionate TMA can be used to test the hypothesis. The positive and significant relationship between all measures of

TMA and organizational expenses provides initial support for the hypothesis that greater TMA to an issue is associated with greater expenses on that issue.

The hypothesis was now investigated using a series of OLS regressions with individual TMA across RHAs as the independent variable and individual expenses on an issue by each RHA as the dependent variable. This type of regression can be represented by the equation $Y_{i,k,t} = \alpha + \beta X_{i,k,t} + \epsilon_{i,k,t}$, where $Y_{i,k,t}$ is a continuous variable of expenses on issue 'i' by RHA 'k' in year 't'; $X_{i,k,t}$ is a continuous variable which reports TMA on issue 'i' by RHA 'k' in year 't'; α and β are the intercept and slope of the regression line respectively; and $\epsilon_{i,k,t}$ is the error term.

--- INSERT TABLE 4.15 ABOUT HERE ---

The results of the OLS regressions are reported in Table 4.15. First, I estimated an OLS regression in a univariate setting using panel data across all issues with proportionate TMA as the independent variable and percentage of expenses on an issue as the dependent variable (n= 458). The effect of proportionate TMA on organizational expenses is positive and significant ($\beta = 0.048$; $p < .001$), supporting the hypothesis that greater TMA leads to greater organizational activity.

Second, I estimated an OLS regression in a univariate setting across all issues with focus of TMA as the independent variable and percentage of expenses on an issue as the dependent variable (n= 458). Consistent with Model 1, I find

that the effect of TMA on organizational expenses is positive and significant ($\beta = 0.032$; $p < .001$).

Third, I estimated an OLS regression in a univariate setting using data across all issues with absolute TMA as the independent variable and percentage of expenses on an activity as the dependent variable ($n = 458$). Consistent with the previous models, I find that the effect of TMA upon organizational expenses is significant ($\beta = 0.001$; $p < .001$).

Fourth, I estimated a model using data across all issues with proportionate TMA as the independent variable controlling for type of RHA and number of sentences in a letter. I again find that the effect of TMA on organizational expenses is significant ($\beta = 0.046$; $p < .001$). Type of RHA also affects the amount of expenses devoted to issues. The effect of TMA on organizational activity in rural RHAs (type = 3) is higher than the effect of TMA on organizational activity in other two types of RHAs (regional = type 2; urban = type 1).

--- INSERT TABLE 4.16 ABOUT HERE ---

A series of robustness tests were conducted to evaluate the effects of TMA on organizational expenses. These results are summarized in Table 4.16. The first model tests the effect of average proportionate TMA on organizational expenses. I again find that the effect of TMA on organizational expenses is significant ($\beta = 0.131$; $p < .001$). Next, the second and third models test whether institutional attention independently affects organizational activity (e.g., see Table 2.1(a) showing the institutional theory prediction that coercive pressures

will lead to concrete organizational activities). The second model tests the effect of proportionate Ministerial Attention on organizational activity using average values. Greater institutional attention does not lead to organizational activity although the sign is in the predicted direction ($\beta = 0.0455$; $p > .1$). The third model tests the effect of AHW Attention on expenses using averages, and again reveals that the effect of institutional pressures on organizational expenses is not significant although the sign is in the predicted direction ($\beta = 0.0122$; $p > .1$). The fourth model tests the impact of TMA on organizational expenses in a multivariate setting controlling for Ministerial Attention, AHW Attention, and number of sentences. I again find that TMA has an effect on organizational expenses even though the effect now is more modest ($\beta = 0.108$; $p < .10$). Ministerial Attention and AHW Attention do not affect organizational activity.

Overall, these robustness tests provide additional support for the second hypothesis which proposes that greater TMA leads to greater organizational activity. These effects of TMA on organizational activity hold true even in a multivariate setting. Consistent with some institutional theorists (e.g., Fiss and Zajac, 2004) who specify symbolic responses by organizations being characterized by top managerial discourse but not by concrete organizational activity, I find that although coercive pressures led to TMA (as evidenced in results of hypothesis 1), greater institutional pressures per se did not lead to greater organizational activity in either univariate or multivariate models. However, these results – greater institutional attention does not lead to greater

organizational activity – must be interpreted with some caution. Recap that there was a significant change in organizational expenses on three issues – administration, home/community and information technology – over the time period. However, there was no change in expenses on wellness over time. Still, this finding is a bit surprising considering that the greatest amount of institutional attention appeared to be given to wellness.

Hypothesis 3: Greater the Assertion, Lesser the Organizational Activity

This hypothesis investigates the effect of the type of rhetoric on organizational activity. The three issues being used to test this hypothesis are administrative efficiency, wellness and home/community. This hypothesis was tested in four ways. The first test serves as the primary test of the hypothesis while the latter three serve as robustness tests. First, I estimated an OLS regression in a univariate setting using emphasis of rhetoric on a given issue (average) as the independent variable and proportionate expenses on that issue (average) as the dependent variable (n =24). Emphasis of rhetoric is calculated as the relative proportion of assertion on a given issue in a given year relative to the number of sentences coded for rhetorics on that issue in that year. This can be

represented as follows: $Emphasis_{i,t} = \sum_j \frac{\#sentences\ coded\ for\ assertion_{i,j,t}}{\#sentences\ coded\ for\ rhetorics_{i,j,t}}$ where

i= issue, j= RHA 1 to 17, t= year between 1995 and 2002. This measure has been adapted from D’Aveni and MacMillan (1990: 644) and the measure aims to

capture the type of communication on a given issue as opposed to total communication on an issue.

--- INSERT TABLE 4.17 ABOUT HERE ---

The results of all four models that test this hypothesis are summarized in Table 4.17. In the first model, greater rhetorics of assertion are associated with lower organizational activity ($\beta = -0.057$; $p < .01$). Hence, as hypothesized, greater assertion as measured by importance of a given rhetoric relative to other rhetorics (on an issue), leads to lower organizational activity. This result indirectly supports and further substantiates Feldman and March's (1981) argument that assertion often serves as a symbolic substitute for action. In other words, assertions might be hypocritical as they are used to mask organizational inactivity, and might be used when organizational activity on an issue has actually declined. As clarified earlier, this model is estimated using the emphasis of TMA measure developed by D'Aveni and MacMillan (1990) calculated using averages. Using averages is necessary because some letters do not mention an issue and hence the calculation for individual measures across the full sample is not possible. A limitation of using averages is that it reduces the information that can be captured from individual observations. An advantage of using averages over individual values for emphasis measures is that using individual values can create bias, as a large number of observations may need to be eliminated for computational as opposed to theoretical reasons.

In the second model, I estimated an OLS regression in a multivariate setting using average lagged emphasis of rhetoric (assertion) and proportionate Ministerial Attention as the independent variables, and lagged average expenses as the dependent variable. The number of observations drop from 24 to 21 to take into consideration lagged institutional effects upon TMA and organizational activity. As predicted, I again find that greater emphasis on assertion leads to lower organizational activity ($\beta = -0.05$; $p < .01$). However, and consistent with hypothesis 2, Ministerial Attention still does not affect organizational activity.

In the third model, I conduct an additional robustness test in a multivariate setting to test the effects of assertion on organizational activity by controlling for the effects of validation on organizational activity ($n = 92$). By validation, I mean combined effects of justification and without justification. When I control for the use of rhetorics of validation, the effect of assertion on organizational activity is not significant, although the sign is in the predicted direction. Hence, this robustness test does not support hypothesis 3.

The fourth model tests the effects of proportionate assertion on organizational activity in a multivariate setting controlling for proportionate justification, proportionate without justification and proportionate Ministerial Attention. I find that the use of rhetorics of assertion leads to lower organizational activity ($\beta = -0.442$, $p < .05$), while the effects of rhetorics of validation with justification leads to higher organizational activity ($\beta = 0.501$; $p <$

.05). However, Ministerial Attention or the use of rhetorics of validation without justification does not affect organizational activity.

Overall, the support for this hypothesis is modestly strong as only one of the three robustness tests does not support the primary test of the hypothesis. At minimum, one can conclude that while greater TMA leads to greater organizational activity, greater assertion does not lead to greater organizational activity. This finding supports some literature which has earlier speculated that that top managerial communication might have a rhetorical and symbolic content (Fiol, 1995; Green, 2004; Meyer and Rowan, 1977; Pfeffer, 1981) as opposed to substantive effects as has been implicitly assumed in the top managerial communication and attention-based literature (D'Aveni and MacMillan, 1990; Ocasio, 1997). At most, the modestly high support of this hypothesis asks for further verification on whether assertion is actually a hypocritical discourse (Feldman and March, 1981) that serves as a symbolic substitute for action.

Hypothesis 4: Greater the Validation, Greater the Organizational Activity

This hypothesis was investigated through a series of statistical tests. First, I used the overall measure of validation which includes both justification and without justification. This serves as the primary test of the hypothesis. And second, I split validation into two sub-measures – justification and without justification – and tested their independent effects on organizational activity. This step serves to elaborate the effects of validation.

--- INSERT TABLE 4.18 ABOUT HERE ---

Table 4.18 presents the results of the three models. In Model 1, I estimated a univariate OLS regression using average emphasis of validation as the independent variable and average proportionate expenses as the dependent variable. As hypothesized, I find that the effect of validation on expenses is positive and significant ($\beta = .057$; $p < .01$). In Model 2, I estimated an OLS regression using average emphasis of validation and proportionate Ministerial Attention as independent variables. I find that validation continues to have a positive and significant effect on expenses ($\beta = .05$; $p < .01$). However, and consistent with previous hypotheses, Ministerial Attention has no effect. In Model 3, I estimated a univariate OLS regression using individual values of proportionate validation and proportionate expenses on issues. I again find that the effect of validation on expenses is positive and significant ($\beta = .079$; $p < .01$). In Model 4, I estimated a multivariate OLS regression using individual values of proportionate validation and proportionate assertion as independent variables, and individual values of proportionate expenses as the dependent variable. I find that even after controlling for assertion, the effect of validation on expenses is positive and significant ($\beta = .081$; $p < .01$). Overall, one can conclude that greater rhetorics of validation are associated with greater organizational activity.

--- INSERT TABLE 4.19 ABOUT HERE ---

Table 4.19 presents results on the separate effects of justification and without justification on organizational activity. In Model 1, I estimated a univariate regression using average emphasis of justification as the independent

variable and average proportionate expenses as the dependent variable. I find that justification has a positive and significant effect on expenses ($\beta = .08$; $p < .01$). In Model 2, I tested the effect of proportionate validation with justification on proportionate expenses using individual values. I again find that the effect of emphasis of validation with justification on expenses is highly significant ($\beta = .208$; $p < .01$). In Model 3, I estimated the effect of emphasis of validation without justification on proportionate expenses using average values. Somewhat surprisingly, emphasis of validation without justification does not have a significant effect on expenses although the sign is in the predicted direction, implying that without justification is not associated with greater organizational activity. In Model 4, I estimated the effect of proportionate without justification on proportionate expenses and find that this effect is modestly significant ($\beta = .055$; $p < .10$). This finding is inconsistent with the findings of Model 3. In Model 5, I estimated a multivariate specification using proportionate justification and proportionate without justification as the independent variables and proportionate expenses as the dependent variable. While the effect of justification on expenses remains positive and significant ($\beta = .216$; $p < .01$), without justification does not have a significant effect on expenses. In Model 6, I again estimate a multivariate specification using proportionate measures of the three types of rhetorics as the independent variables, and proportionate expenses as the dependent variable. While I continue to find that the effect of justification upon expenses is highly significant ($\beta = 0.217$; $p < .01$), assertion and without justification do not have a

significant effect on expenses. The results of these six models categorically point to justification being the strongest predictor of organizational activity.

Overall, hypothesis 4 is strongly supported as validation affects organizational activity. This result holds true in both the primary test and the robustness tests of the hypothesis. However, the distinction of validation into justification and without justification provided some interesting and unanticipated findings that appear to be somewhat inconsistent with Green (2004). From an institutional perspective, one would expect that greater justification implies lower institutionalization and lower organizational activity. One might expect both to lead to organizational activity with the effects of without justification being greater. This is so because justification implies lower institutionalization than without justification (see Green, 2004). However, while I find strong support for effects of justification on organizational activity, this is not the case for without justification. A possible explanation of this finding is that while justification occurs on substantive actions, without justification might be used to provide evidence on less substantial actions (e.g., some non-financial actions).

Areas for Elaboration in Phase 2

While annual reports have been successfully used in previous research, one needs to recognize that formal corporate communications also serve as instruments of impression management (Arndt and Bigelow, 2000; Fiol, 1995). In light of this, the use of additional documents, measures and methods might be

needed to enhance the plausibility of findings. For the purposes of relevance and feasibility, I identified four areas for elaboration in Phase 2.

The first area of elaboration relates to the somewhat unanticipated finding that greater institutional attention does not lead to greater organizational activity. Expenses on three of the four issues that were studied did increase over time showing that, while greater institutional discourse did not lead to greater activity, organizations did concretely act upon a few issues. In order to further understand elements of a weak institutional effect, the next chapter will share results on the analysis of the Auditor General of Alberta's annual reports to cross-validate how an external regulatory authority interpreted the state of healthcare. This step constitutes between-methods triangulation (e.g., Jick, 1979: 603).

The second area of elaboration relates to TMA. Following Fiol's (1995) advice to compare top managerial statements in different settings, the next chapter will share results on the analysis of top managerial statements in newspapers to understand the extent to which the quantum of TMA to the eight issues identified in annual reports corresponds to TMA in newspapers. This step again classifies as between-methods triangulation (e.g., Jick, 1979: 603).

The third area of elaboration is organizational activity. While expenses imply a substantive commitment (Pfeffer, 1981: 8; Powell, 1985: 566), they do not capture the extent to which organizational structures are elaborated. A deeper understanding of organizational activity requires a closer study of structural elaboration as advocated by some scholars (Edelman, 1992; Meyer and Rowan,

1977: 346). A limitation of Phase 1 and several other institutional studies is that they fail to capture extent of structural elaboration, and manner in which organizational structures are elaborated (exceptions include Arndt and Bigelow, 2000; Edelman, 1992). To overcome this limitation I studied structural elaboration over a sample of RHAs using annual reports. This step classifies as theory-elaboration (Strauss, 1987; Vaughan, 1993).

The fourth area of elaboration concerns the relationship between TMA and organizational activity. While the impact of TMA on organizational activity across issues has been established in Phase 1, a cursory look at some results shows that the quantum and type of expenses and rhetoric appears to vary across the three issues – administrative efficiency, wellness, home/community – and needs further substantiation. Hence, taking into consideration the complete data that had been analyzed in the dissertation, Phase 2 further aimed to identify the linkages between TMA, top managerial rhetorics and organizational activity individually across each of the three issues. This step classifies as theory-elaboration (Strauss, 1987; Vaughan, 1992).

Summary

I used quantitative applications of content analysis to test four hypotheses on the population of RHAs in Alberta over the period 1995-2002. Annual reports published by AHW were analyzed to measure institutional attention (i.e., content of coercive pressures), and annual reports published by RHAs were used to measure TMA and organizational activity. First, I find that greater institutional

attention on an issue leads to greater TMA on that issue. This result establishes an untested assumption in institutional theory that greater discourse by institutional authorities will lead to greater discourse by top managers. Second, I find that the greater the TMA to an issue, the greater is the organizational activity on that issue. This finding provides empirical support for a long-standing assumption in both top managerial and institutional literatures. Third, I find modest support for the hypothesis that greater assertion on an issue leads to lower organizational activity on that issue. The important aspect, however, is that greater use of rhetorics of assertion does not lead to greater organizational activity. This finding empirically supports the symbolic aspects of organizational communication (e.g., Feldman and March, 1981; Meyer and Rowan, 1977; Pfeffer, 1981). Finally, I find that greater the rhetorics of validation, the greater is the organizational activity. My analysis showed two types of rhetorics of validation, namely those that used justification and those that were without justification. While greater justification was associated with greater organizational activity in all tests of the hypothesis, greater without justification was not associated with greater organizational activity.

Table 4.1: Institutional Attention to Issues (Proportional)

Year	Adm. Efficiency*	Patient focus	Quality	Wellness	Home/Community	Funding	Staff	Tech
<i>Panel A: Minister's Message</i>								
1995	0.429	0.095	0.429	0.000	0.095	0.190	0.000	0.000
1996	0.350	0.400	0.400	0.100	0.050	0.250	0.050	0.050
1997	0.105	0.263	0.053	0.342	0.105	0.053	0.105	0.079
1998	0.276	0.345	0.276	0.379	0.172	0.000	0.034	0.138
1999	0.200	0.200	0.333	0.467	0.067	0.133	0.133	0.067
2000	0.080	0.160	0.080	0.120	0.040	0.200	0.280	0.000
2001	0.208	0.208	0.042	0.375	0.000	0.042	0.083	0.042
2002	0.152	0.061	0.121	0.333	0.030	0.061	0.000	0.061
<i>Panel B: Index of Institutional attention</i>								
1995	0.383	0.191	0.236	0.349	0.117	0.033	0.033	0.012
1996	0.130	0.264	0.091	0.543	0.032	0.004	0.038	0.012
1997	0.194	0.123	0.268	0.429	0.013	0.023	0.068	0.020
1998	0.172	0.167	0.629	0.498	0.011	0.000	0.043	0.081
1999	0.196	0.196	0.424	0.528	0.017	0.003	0.079	0.042
2000	0.289	0.360	0.266	0.670	0.011	0.026	0.026	0.038
2001	0.139	0.279	0.178	0.585	0.003	0.036	0.020	0.016
2002	0.248	0.326	0.191	0.613	0.007	0.017	0.085	0.022

* Adm Efficiency = Administrative Efficiency

Table 4.2: Change in Institutional Attention over Time

<i>Panel A: Minister's Message</i>		
	Intercept	Co-efficient
Administrative Efficiency	0.375 (0.002)***	-0.03 (0.065)*
Patient Focus	0.305 (0.014)**	-0.02 (0.308)
Quality	0.421 (0.005)***	-0.045 (0.056)*
Wellness	0.097 (0.441)	0.037 (0.161)
Home/Community	0.124 (0.017)**	-0.012 (0.160)
Staffing	0.189 (0.032)**	-0.016 (0.271)
Technology	0.043 (0.583)	0.009 (0.549)
Increase Funding	0.050 (0.227)	0.001 (0.903)
<i>Panel B: AHW Attention (Index)</i>		
	Intercept	Co-efficient
Administrative Efficiency	0.251 (0.012)**	-0.007 (0.630)
Patient Focus	0.144 (0.037)**	0.021 (0.098)*
Quality	0.290 (0.087)*	-0.001 (0.970)
Wellness	0.376 (0.000)***	0.033 (0.017)**
Home/Community	0.076 (0.015)**	-0.011 (0.049)**
Staffing	0.015 (0.262)	0.001 (0.769)
Technology	0.039 (0.104)	0.002 (0.608)
Increase Funding	0.025 (0.251)	0.001 (0.757)

Table 4.3: Descriptive Statistics of RHA Cover Letters*Panel A: Length of cover letters across years (n=123)*

Year	# of RHA	Average Length
1995	17	32.00
1996	15	31.00
1997	16	26.00
1998	15	32.53
1999	16	31.37
2000	14	32.00
2001	16	29.18
2002	14	22.64

Panel B: Length of cover letters across years and type of RHA

Year	Type*	# of RHA	Average Length
1995	1	2	45.00
1995	2	5	27.60
1995	3	10	31.60
1996	1	2	41.50
1996	2	3	24.00
1996	3	10	31.00
1997	1	2	42.50
1997	2	5	17.20
1997	3	9	27.22
1998	1	2	45.50
1998	2	5	24.60
1998	3	8	34.25
1999	1	2	56.00
1999	2	5	17.20
1999	3	9	33.78
2000	1	2	55.00
2000	2	4	16.75
2000	3	8	33.87
2001	1	2	45.50
2001	2	4	30.75
2001	3	10	25.30
2002	1	2	28.50
2002	2	4	17.25
2002	3	8	23.87

* 1 = Urban RHA; 2 = Regional RHA; 3 = Rural RHA

Table 4.4: Evolution of Proportional TMA to Issues

Panel A: Proportional TMA to Issues by year

Year	Adm. Efficiency	Patient Focus	Quality	Wellness	Home/Cmty.	Staff	Tech.	Incr. Funding
1995	0.357	0.287	0.066	0.079	0.061	0.186	0.046	0.015
1996	0.281	0.301	0.080	0.088	0.072	0.211	0.025	0.029
1997	0.230	0.266	0.104	0.144	0.099	0.165	0.044	0.032
1998	0.226	0.293	0.107	0.101	0.044	0.220	0.044	0.036
1999	0.141	0.263	0.094	0.118	0.056	0.253	0.074	0.050
2000	0.131	0.208	0.116	0.122	0.051	0.291	0.068	0.036
2001	0.213	0.186	0.109	0.154	0.051	0.264	0.062	0.056
2002	0.182	0.188	0.122	0.198	0.041	0.239	0.069	0.013

Panel B: Trends in Proportional TMA to Issues

	Adm. Effic	Patient Focus	Quality	Well.	Home/Cmty.	Staff	Tech.	Incr. Fund.
Intercept	0.40*** (0.000)	0.309*** (0.000)	0.081*** (0.000)	0.088*** (0.001)	0.085*** (0.000)	0.163*** (0.000)	0.038** (0.010)	0.019** (0.038)
Coeff.	-0.034*** (0.000)	-0.013*** (0.007)	0.006* (0.052)	0.009* (0.065)	-0.005 (0.195)	0.015*** (0.002)	0.004 (0.194)	0.002 (0.318)

Table 4.5: Correlation between the Three TMA Measures

	Absolute TMA	Proportionate TMA	Focus TMA
Absolute TMA	1.000		
Proportionate TMA	0.738***	1.000	
Focus TMA	0.446***	0.649***	1.000

Table 4.6: Mean and Median Expenses on Issues

This table presents the mean and median expenses on an issue in percentage (Panel A) and actual expenses in thousands of dollars (Panel B). The median is presented in parentheses.

Panel A: Percentage Expenses on Issues

	Administrative Efficiency	Wellness	Home/ Community	Information Technology
1995	10.56 (10.14)	3.70 (3.43)	5.12 (4.78)	N.A.
1996	7.9 (7.19)	3.88 (3.13)	5.74 (4.92)	1.00 (0.76)
1997	6.45 (6.41)	4.38 (3.85)	6.18 (5.74)	1.05 (1.13)
1998	5.99 (5.88)	4.54 (4)	6.40 (5.51)	1.26 (1.27)
1999	6.05 (6.17)	4.48 (4.22)	6.50 (5.48)	1.44 (1.37)
2000	5.74 (5.98)	4.48 (4.61)	6.57 (5.67)	1.74 (1.73)
2001	5.62 (6.01)	4.59 (4.47)	6.85 (6.19)	2.17 (2.05)
2002	5.58 (5.81)	4.68 (4.72)	7.30 (6.66)	1.93 (1.89)

Panel B: Actual Expenses on Issues (in thousands of dollars)

	Administrative Efficiency	Wellness	Home/ Community	Information Technology
1995	19829.94 (6255.5)	4876.06 (1992)	6995.19 (3112)	N.A.
1996	15272.88 (3726)	4886.00 (2079)	8005.59 (3292)	674.5 (441.5)
1997	6786.47 (3830)	4737.77 (2196)	8471.59 (3884)	2341.33 (477)
1998	7128.53 (3733)	5256.06 (2380)	9487.76 (4332)	2792.13 (695.5)
1999	7976.06 (4035)	5618.29 (2596)	10616.65 (4927)	3297.35 (981)
2000	11763.00 (5408)	5930.18 (2803)	11763 (5408)	4355.65 (1263)
2001	9281.00 (4106)	6696.88 (3066)	14339.53 (6224)	5584.06 (1664)
2002	10041.71 (4877)	6879.65 (3842)	17478.65 (6725)	5971.71 (1553)

Table 4.7: Trends in Organizational Expenses on Issues

	Administrative Expenses	Wellness	Home/ Community	Technology
Intercept	0.092 (0.000)***	0.038 (0.000)***	0.052 (0.000)***	0.006 (0.005)***
Coefficient	-0.006 (0.000)***	0.001 (0.121)	0.002 (0.009)***	0.002 (0.000)***
<i>Observations</i>	115	122	122	99

Table 4.8: Sample for Analysis of Top Managerial Rhetorics

Year	# of RHAs	Total sentences in the year	Average sentences per letter
1995	16	544	34
1996	11	354	32.18
1997	9	299	33.22
1998	11	370	33.63
1999	11	327	29.72
2000	11	334	30.36
2001	13	336	25.84
2002	10	201	20.10
<i>TOTAL</i>	92	2765	29.73

Table 4.9: Data Used for Coding Rhetorics (In Numbers)

Issue	Year	Sentences	Addressed the Issue	Assertion	Justification	Without Justification	No Code
Adm. Effcy	1995	544	139	36	55	48	405
Adm. Effcy	1996	354	47	9	17	21	307
Adm. Effcy	1997	299	30	12	9	9	269
Adm. Effcy	1998	370	57	18	15	24	313
Adm. Effcy	1999	327	28	7	8	13	299
Adm. Effcy	2000	334	31	10	5	16	303
Adm. Effcy	2001	336	55	12	21	22	281
Adm. Effcy	2002	201	27	5	6	16	174
Wellness	1995	544	29	14	3	12	515
Wellness	1996	354	12	6	3	3	342
Wellness	1997	299	22	12	1	9	277
Wellness	1998	370	20	13	2	5	350
Wellness	1999	327	12	5	0	7	315
Wellness	2000	334	23	6	2	15	311
Wellness	2001	336	35	17	1	17	301
Wellness	2002	201	15	7	0	8	186
Home/Cnty	1995	544	20	5	2	13	524
Home/Cnty	1996	354	17	8	0	9	337
Home/Cnty	1997	299	16	9	3	4	283
Home/Cnty	1998	370	11	3	0	8	359
Home/Cnty	1999	327	15	3	2	10	312
Home/Cnty	2000	334	7	1	2	4	327
Home/Cnty	2001	336	11	1	4	6	325
Home/Cnty	2002	201	3	0	1	2	198
<i>Overall</i>		2765	682	219	162	301	2083

Note: Adm. Effcy = Administrative Efficiency; Home/Cnty = Home/Community

**Table 4.10: Descriptive Statistics on Top Managerial Rhetorics as Calculated
by Average Emphasis of Attention**

Issue	Year	Assertion	Justification	Without Justification
Adm. Effcy	1995	0.259	0.396	0.345
Adm. Effcy	1996	0.192	0.362	0.447
Adm. Effcy	1997	0.4	0.3	0.3
Adm. Effcy	1998	0.316	0.263	0.421
Adm. Effcy	1999	0.25	0.286	0.464
Adm. Effcy	2000	0.323	0.161	0.516
Adm. Effcy	2001	0.218	0.382	0.4
Adm. Effcy	2002	0.185	0.222	0.593
	<i>AVERAGE</i>	<i>0.268</i>	<i>0.296</i>	<i>0.436</i>
Wellness	1995	0.483	0.103	0.414
Wellness	1996	0.5	0.25	0.25
Wellness	1997	0.545	0.045	0.409
Wellness	1998	0.65	0.1	0.25
Wellness	1999	0.417	0	0.583
Wellness	2000	0.261	0.087	0.652
Wellness	2001	0.486	0.029	0.486
Wellness	2002	0.467	0	0.533
	<i>AVERAGE</i>	<i>0.476</i>	<i>0.077</i>	<i>0.447</i>
Home/Cmty	1995	0.25	0.1	0.65
Home/Cmty	1996	0.471	0	0.529
Home/Cmty	1997	0.562	0.187	0.25
Home/Cmty	1998	0.273	0	0.727
Home/Cmty	1999	0.2	0.133	0.667
Home/Cmty	2000	0.143	0.286	0.571
Home/Cmty	2001	0.091	0.364	0.545
Home/Cmty	2002	0	0.333	0.667
	<i>AVERAGE</i>	<i>0.249</i>	<i>0.175</i>	<i>0.576</i>

Table 4.11: Trends in Emphasis of Top Managerial Rhetorics on Issues over Time as Calculated using Average Values

	Intercept	Coefficient
<i>Assertion</i>		
Overall	0.455*** (0.000)	-0.028* (0.060)
Administrative Efficiency	0.304*** (0.002)	-0.008 (0.520)
Wellness	0.544*** (0.001)	-0.015 (0.417)
Home/Community	0.515*** (0.002)	-0.059** (0.025)
<i>Justification</i>		
Overall	0.173** (0.012)	0.002 (0.858)
Administrative Efficiency	0.377*** (0.001)	-0.018 (0.167)
Wellness	0.174 (0.016)	-0.022* (0.083)
Home/Community	-0.032 (0.671)	0.046** (0.019)
<i>Without Justification</i>		
Overall	0.373*** (0.000)	0.025** (0.042)
Administrative Efficiency	0.319*** (0.001)	0.026 (0.059)*
Wellness	0.282** (0.027)	0.037 (0.106)
Home/Community	0.517*** (0.005)	0.013 (0.607)

**Table 4.12: Correlation between Institutional Attention and TMA using
Proportional Measures of Attention**

	Minister's Message	Index	TMA
Minister's Message	1.000		
Index	0.487***	1.000	
TMA	0.314**	0.252*	1.000

Number of observations = 56

Table 4.13: Analysis of Hypothesis 1

Panel A: Results of OLS Regression

	Model 1	Model 2	Model 3
<i>Intercept</i> (p-value)	0.000*** (0.000)	0.000*** (0.000)	0.104** (0.017)
<i>Minister's Message</i> (p-value)	0.198** (0.018)		0.160* (0.098)
<i># of Sentences in Minister's Message</i> (p-value)			-0.000 (0.853)
<i>Index</i> (p-value)		0.116* (0.060)	0.059 (0.397)
R^2	9.88%	6.36%	11.2%
<i>Observations</i>	56	56	56

Panel B: Results of Logistic Regression

	Model 1	Model 2
<i>Intercept</i> (p-value)	0.669*** (0.000)	0.575*** (0.000)
<i>Minister's Message</i> (p-value)	27.411*** (0.000)	
<i>Index</i> (p-value)		48.267*** (0.000)
<i>Pseudo R²</i>	3.6%	7.9%
<i>Observations</i>	492	492

Table 4.14: Correlation between TMA and Organizational Activity

	Absolute TMA	Proportionate TMA	Focus TMA	Organizational Activity
Absolute TMA	1.000			
Proportionate TMA	0.746***	1.000		
Focus TMA	0.667***	0.703***	1.000	
Organizational Activity	0.249***	0.267***	0.287***	1.000

Table 4.15: Analysis of Hypothesis 2 using Individual Values

	Model 1	Model 2	Model 3	Model 4
<i>Intercept</i> (p-value)	0.041*** (0.000)	0.039*** (0.000)	0.042*** (0.000)	0.021*** (0.000)
<i>Proportionate TMA</i> (p-value)	0.048*** (0.000)			0.046*** (0.000)
<i>Focus TMA</i> (p-value)		0.032*** (0.000)		
<i>Absolute TMA</i> (p-value)			0.001*** (0.000)	
<i># Sentences</i> (p-value)				0.000 (0.711)
<i>Type of RHA</i> (p-value)				0.008*** (0.000)
<i>R² (%)</i>	7.00%	8.05%	6.01%	10.61%
<i>Observations</i>	458	458	458	458

Table 4.16: Robustness Tests for Hypothesis 2 using Average Values

	Model 1	Model 2	Model 3	Model 4
<i>Intercept</i> (p-value)	0.031*** (0.000)	0.040*** (0.000)	0.045*** (0.000)	0.036 (0.293)
<i>Proportionate TMA</i> (p-value)	0.131*** (0.000)			0.108* (0.08)
<i>Minister's message (p)</i> (p-value)		0.046 (0.107)		0.011 (0.755)
<i>Index (p)</i> (p-value)			0.012 (0.53)	-0.016 (0.461)
<i># Sentences</i>				0.000 (0.955)
<i>R² (%)</i>	29.59%	6.22%	1.50%	5.10%
<i>Observations</i>	31	31	31	28

Table 4.17: Analysis of Hypothesis 3

	Model 1	Model 2	Model 3	Model 4
<i>Intercept</i> (p-value)	0.079*** (0.000)	0.076*** (0.000)	0.057*** (0.000)	0.066*** (0.000)
<i>Emphasis of Assertion using averages</i> (p-value)	-0.057*** (0.003)	-0.050*** (0.002)		
<i>Proportionate Assertion using averages</i> (p-value)				-0.442** (0.036)
<i>Proportionate Assertion using individual values</i> (p-value)			-0.03 (0.398)	
<i>Proportionate Ministerial Attention</i> (p-value)		-0.002 (0.909)		-0.003 (0.876)
<i>Proportionate Validation using individual values</i> (p-value)			0.081*** (0.000)	
<i>Proportionate Justification using averages</i> (p-value)				0.501** (0.018)
<i>Proportionate Without Justification using averages</i> (p-value)				-0.087 (0.642)
<i>R-Square</i>	29.7%	36.2%	5.23%	4.46%
<i>Observations</i>	24	21	92	21

Table 4.18: Analysis of Hypothesis 4

	Model 1	Model 2	Model 3	Model 4
<i>Intercept</i> (p-value)	0.022* (0.077)	0.026** (0.0195)	0.056*** (0.000)	0.057*** (0.000)
<i>Emphasis of Validation using averages</i> (p-value)	0.057*** (0.003)	0.050*** (0.002)		
<i>Proportionate Ministerial Attention using individual values</i> (p-value)		-0.002 (0.909)		
<i>Proportionate Validation using individual values</i> (p-value)			0.079*** (0.000)	0.081*** (0.000)
<i>Proportionate Assertion using individual values</i> (p-value)				-0.03 (0.398)
<i>R-Square</i>	29.71%	36.2%	53.23%	5.23%
<i>Observations</i>	24	21	92	92

Table 4.19: Additional Analysis of Hypotheses 3&4

	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6
<i>Intercept</i> (p-value)	0.045** * (0.000)	0.058*** (0.000)	0.056** * (0.000)	0.058** * (0.000)	0.057** * (0.000)	0.057** * (0.000)
<i>Emphasis of Justification using averages</i> (p-value)	0.080** * (0.000)					
<i>Proportionate Justification</i> (p-value)			0.208** * (0.000)		0.216** * (0.000)	0.217** * (0.000)
<i>Emphasis of Without Justification using averages</i> (p-value)		0.003 (0.901)				
<i>Proportionate Without Justification</i> (p-value)				0.055* (0.063)	-0.01 (0.640)	-0.01 (0.693)
<i>Proportionate Assertion</i> (p-value)						-0.03 (0.457)
<i>R-Square</i>	41.65%	0.001%	9.91%	0.09%	9.6%	9.5%
<i>Observations</i>	24	24	92	92	92	92

CHAPTER 5: RESULTS OF PHASE 2

The overall aim of this chapter is to present results of qualitative methods that were used to offer additional answers to the research question: When and how does TMA lead to substantive or symbolic organizational activity? These results are supplemented with inductive quantitative analysis for theory-building (Palmer, 2006: 553-554). The previous chapter presented results of quantitative analyses testing the four hypotheses and concluded that (1) greater institutional attention leads to greater TMA; (2) greater TMA leads to greater substantive organizational activity with specific reference to expenses; (3) greater rhetorics of assertion are not associated with greater substantive organizational activity; and (4) greater rhetorics of validation are associated with greater substantive organizational activity.

Results presented in the previous chapter clarify a couple of important aspects pertaining to the research question. First, they help us understand that greater TMA leads to greater substantive organizational activity, thereby pointing to an important role of top managers in determining a substantive response. And second, they establish the presence of two distinct top managerial rhetorics – assertion and validation – that are associated with symbolic and substantive organizational activities respectively. These results support the starting theoretical model in Chapter 2 which argues that symbolic and substantive responses are characterized by differences in top managerial language.

However, the results presented in the previous chapter are based on single-data sources and need further cross-validation (Jick, 1979). As also, four areas of elaboration were identified at the end of the previous chapter to get more complete answers on the research question. These are: (1) additional information on a symbolic response to coercive pressures is needed at an overall level – recap that while greater institutional attention led to greater TMA, greater institutional attention was not directly related with greater organizational activity in the multivariate analyses; (2) further verification of TMA is needed considering that top managerial communication in annual reports is less likely to exhibit content related to top managerial concerns or defiance due to the formal nature of these reports; (3) further verification of organizational activity is needed considering that while budgetary expenses are a good measure of substantive organizational activity (e.g., Pfeffer, 1981; Powell, 1985), they do not offer adequate insights into which other organizational activities – specifically symbolic ones – are undertaken by organizations in response to coercive pressures; and (4) the previous chapter did not address the reasons behind why symbolic or substantive responses occur; as also, it did not offer insights into the mechanisms leading to a symbolic or a substantive organizational response. These four areas serve as starting cues for this chapter. Additional data analyses in this chapter offer further several areas of elaboration into the four areas.

First, the analysis of documents published by an independent regulatory agency, namely the Auditor General of Alberta (AG), further corroborates the

presence of several areas of a symbolic response and non-compliance with coercive pressures, thereby cross-validating initial evidence in the previous phase of top managerial discretion despite coercive pressures. While the AG acknowledges some conciliatory moves by RHAs towards business planning and cutting costs, he points out several areas of RHA symbolic actions and non-compliance to include deficits despite discourse on the importance of efficiency; RHA expenses on unsanctioned areas; symbolic content of business planning documentation as reports were submitted by RHAs with incomplete information on key substantive outcomes such as effect of RHA actions on health outcomes and performance; and wide differences between the various RHAs in compliance to government-determined benchmarks on functional aspects of healthcare delivery. The AG also points out a few causes for symbolic actions and non-compliance by RHAs. These causes include the limited top managerial power over physicians leading to weak control by top managers over key organizational activities and outcomes; limited incentive for RHAs to substantively comply with institutional directives as symbolic actions such as through the reporting of planning but not corroborated with specifics or outcomes achieved led to continued support by AHW; the complexity of the health system offered RHAs with interpretive latitude to manipulate institutional directives while responding to issues; and on how differences in the contingencies and environmental contexts of the various RHAs which made a similar (and substantive response) on all issues by all RHAs an unfeasible institutional objective.

Second, analysis of top managerial statements in newspapers cross-validates that the eight issues identified in Phase 1 are comprehensive as 81.67% of top managerial communications in newspapers were on the issues identified in annual reports (see Phase 1). The quantum of TMA, however, is different from TMA in annual reports. These differences in quantum of TMA in different settings are consistent with the literature (e.g., Fiol, 1995). A major area of departure from the previous phase was some new evidence on top managerial anger and lack of support for some institutional objectives, particularly in the middle years of the sample period (1997-1999). Another area of departure from the previous phase was the complete absence of top managerial discourse on the issue of wellness in the newspaper articles in the sample, and a substantial amount of TMA to staffing and community concerns. These findings offer some additional insights on the research question with specific reference to how the type of organizational response may be affected by the degree of top managerial support at a given period of time, and on how stakeholder concerns apart from institutional attention affect how top managers choose to respond to coercive pressures from the government.

Third, the operationalization of organizational activity through quantum (Edelman, 1992) and type of structural elaboration confirmed findings of Phase 1 and again led to some interesting areas of departure. While RHAs are compelled to report their activity on the format prescribed by AHW, they strategically choose to act upon issues either through low structural elaboration (e.g., planning,

committees) or high structural elaboration (e.g., staffing or infrastructure commitments). I argue that disproportionately large elements of low structural elaboration are indicative of symbolic organizational activity, while greater elements of high structural elaboration are indicative of substantive organizational activities. Also, and consistent with evidence of hypothesis 2, I find that greater TMA is associated with greater substantive organizational activity. In specific, the correlation between TMA and high structural elaboration is positive and significant ($r = 0.67$; $p < .01$). As also, I find that organizational activity may occur in a manner which is contrary to institutional expectations, for instance structural elaboration might be deletive in content, that is, in a direction contrary to institutional expectations (e.g., reducing home/ community care facilities). These findings offer additional answers to the research question by elaborating an important difference between symbolic and substantive organizational activity – namely through the extent of structural elaboration. They also articulate a role for elements of organizational non-compliance through deletive structural elaboration.

Fourth, within and between-case comparison (Miles and Huberman, 1994) in Phase 2 leads to additional areas of departure on how the three issues – administrative efficiency, wellness and home/ community – being investigated were responded to. I find that administrative efficiency received a substantive response characterized by concrete activities such as high structural elaboration and significant decrease in administration costs. Wellness received a symbolic

response characterized by low structural elaboration and an insignificant change in expenses despite high TMA. Home/ community received a mixed response as not only did RHAs significantly increase their expenses on the issue, but also they indulged in delective structural elaboration as they continued to invest in long-term institutional settings. These dissimilar responses to the three issues point to top managerial discretion even in the face of coercive pressures. Importantly, organizational responses to institutional pressures are now differentiated by the content of discourse and action upon them. Different organizational responses are spoken about and acted upon in different ways.

A detailed investigation of the reasons for these differences in organizational responses elaborated an important role for issue criticality, an aspect that was not tested or developed in the previous chapter. This leads me to propose a framework on issue criticality that is proposed to be determined by comprehensibility (Suchman, 1995), consistency with current practices and stakeholder expectations (e.g., Oliver, 1991), and need for a speedy resolution (e.g., Dutton and Jackson, 1987). While institutional attention on an issue explains quantum of TMA, high issue criticality plays an important role also. For example, greater use of assertion occurs in periods of low issue criticality but high institutional attention. This happened in the case of wellness which, despite receiving high institutional attention, does not receive a significant increase in expenses. In contrast, greater issue criticality is associated with greater validation

and high structural elaboration. This happened in the case of administrative efficiency.

In addition to the elaboration of the above four areas driven by the previous phase, a fifth unanticipated area emerged in this chapter. While the previous chapter describes the extent of TMA and organizational activity on the various issues, it does not elaborate on the temporal aspects and extent of adoption of a new “business-like healthcare system” (Reay, 1999: 49). Analyses of additional documents and use of the “temporal bracketing strategy” (Langley, 1999) to describe processes provide some new insights on the research question. I find that the business-like system receives different top managerial responses and exhibits the following pattern. The early period (1994-96) is characterized by resignation or support for the new system due to the perceived inevitability of these changes. The middle period (1997-99) is characterized by growing top managerial resistance to the new system due to major declines in patient satisfaction and increasing staff frustration. The latter period (2000-02) is characterized by intense negotiation between AHW and RHAs, which led to a more conciliatory stance towards the new system. These findings of organizational responses as dynamic and contested support a role for top managers. The dynamic nature of organizational responses also supports the idea that institutional expectations receive different levels of support (and compliance), which might be explained by “episodic legitimacy” (Suchman,

1995), or how credible institutional expectations appear in early years of change when new institutional systems have not been taken for granted.

The rest of this chapter is structured as follows. To facilitate readability, I first provide an overview on the fifth area discussed in the introduction and describe how the business-like healthcare system received different top managerial responses over the sample period. Second, I discuss the comments of a regulatory authority, namely the Auditor General of Alberta (AG), on reasons behind the symbolic, and on occasion, defiant, response by RHAs to directives it received from AHW. Third, I discuss content of TMA in newspapers and compare it with TMA in annual reports. Fourth, I describe how structural elaboration occurred on the three issues – administrative efficiency, wellness and home/community – over the sample period and compare structural elaboration with change in expenses. Fifth, I summarize results of the between-case comparison on the three issues using inductive quantitative analysis such as tests for difference in mean institutional attention, TMA and organizational activity. Finally, I develop variance models (Langley, 1999) that describe the relationship between top managerial discourse and organizational activity on each of the issues individually.

Different Top Managerial Responses to a Business-like Healthcare System

Analyses in Phase 2 point to differences in top managerial responses to a business-like model over the sample period. Prior to this discussion, a brief word

on the historical context (Bartunek, 1984; Ranson et al. 1980) in which these changes occurred. A previous dissertation (Reay, 1999) explains how the healthcare system was stable from the 1960s until approximately 1994 (p. 40-49) where physicians determined the priorities while the government provided the funding. This “relative stability” started to change around 1992 when government documents began discussing a new system based on wellness and arguing for a “business-like health care system” (Reay, 1999: 49) that aimed to incorporate business planning and administrative efficiencies into healthcare delivery.

The aim of this proposed business-like health care system was to improve the effectiveness of healthcare delivery and reduce costs. While other actors in the field, such as administrators of hospitals, held regular meetings over a number of years to improve efficiency and effectiveness, they “were unable to reach agreement on implementing action” (Reay, 1999: 48). Though other actors, notably the physicians, were becoming increasingly aware of the changing views of the government, in initial years they “had little incentive to change their own views or actions” (Reay, 1999: 48). Finally, the government intervened with a large-scale change that involved the dissolution of hospital boards and their integration into 17 newly-created RHAs. This was done by passing the *RHA Act* in March 1994 and appointing the first few RHA board members between March 1994 and June 1994 (Reay, 1999: 43). The scale and speed of change was large and rapid. Over time, physicians became skeptical of the government’s proposals and expressed their frustration due to the perceived status degradation (Gephart,

1980) under a proposed healthcare model that emphasized business-like values as opposed to traditional medicine-based values where physicians were the key players of the system.

--- INSERT TABLE 5.1 AND FIGURE 5.1 ABOUT HERE ---

Of specific interest is the period between 1994 and 2002. I have identified three periods in the sample period (see Table 5.1 and Figure 5.1) and argue that each of them elicited different top managerial responses, and as a consequence, different organizational responses. These have been described using temporal bracketing (Langley, 1999), showing how events developed over time across multiple players and levels of analysis to include the AHW, RHA, staff/physicians and community levels.

Period 1 lasted roughly between 1994 and 1996 and was characterized by resignation or support by 14 of the 17 RHAs. I argue that the speed of change and the poor state of provincial finances led to the feeling that these changes were inevitable. There appeared to be an episodic form of cognitive legitimacy (Suchman, 1995) and, as a consequence, modestly high top managerial and organizational “acquiescence” (Oliver, 1991). Period 2 lasted roughly between 1997 and 1999. It was characterized by top managerial resistance as several stakeholders, notably the community, started voicing their frustrations with the decline in patient satisfaction post-reforms. There appeared to be an episodic decline in moral legitimacy (Suchman, 1995), and thus a fall in acquiescence and substantive conformity to business-like principles with 11 of 17 RHAs expressing

concern and anger with the reforms process. This period also saw several instances of top managerial defiance that were occasionally followed by AHW firing RHA boards and top managers, replacing them with new appointees. Period 3 lasted roughly between 2000 and 2002. It saw the adoption of a more conciliatory stance by top managers of RHAs towards AHW. This appeared to happen as AHW gave into key demands of staff and the RHAs, increased funding being one of them. This episodic legitimacy through “exchange” (Suchman, 1995) or “compromise” (Oliver, 1991) led to compliance once again, with 13 of 17 RHAs appearing to have made a truce with AHW.

A central argument to the rest of the proposed framework is that the response by top managers of subordinate organizations to new institutional directives is affected by “episodic legitimacy” (Suchman, 1995), more so in complex sectors. These arguments are also consistent with Dacin (1997) who argues that “potency and power of institutional norms” may vary across time, implying that institutionally defined preferences may get varying levels of support in different periods of time by subordinate actors. These findings also support Oliver’s (1991: 161) viewpoint on the potential of “organizational skepticism” if it conflicts with performance, an example being how a “hospital may resist pressures to improve its efficiency if it has doubts about the impact of this process on the quality of services”. This study reveals that the attempt to legitimate a new institutional order, even through coercive means, is difficult.

The classification of these three periods based on episodic shifts between various forms of legitimacy has continuity with Suchman (1995: 585) who proposes that these shifts are likely to occur when fields are undergoing “historical transitions.” Episodic shifts in legitimacy also point to limitations in the influence of the institutional authority upon large and complex organizations that are “answerable to a number of diffuse constituents with frequently conflicting expectations and perceptions” (Ashforth and Gibbs, 1990: 177). While top managers of RHAs report to AHW, they are dependent upon other stakeholders such as the community and staff. Contradictory expectations between stakeholders lead to lower support for institutional directives leading to lower levels of compliance.

While top managers of RHAs need to pay attention to all stakeholders, different stakeholder groups became more salient than others in different periods (Mitchell, Agle and Wood, 1997). In Period 1, AHW prevailed and was the salient stakeholder in the eyes of top managers as it was successful in creating a plausible alternative to healthcare delivery. In Period 2, the community prevailed due to a major decline in patient satisfaction in Period 1. In Period 3, physicians and staff became the salient stakeholders as they asserted their influence through strikes and protests. A central argument is, organizations will resist institutional rules and not substantively respond to these rules if they are perceived to potentially threaten a subordinate organization’s performance or its image in the eyes of other stakeholders. Unlike gradual legitimation of institutionally-defined

expectations as argued in institutional theory, this study finds legitimacy to be a “dynamic constraint which changes as organizations adapt” (Dowling and Pfeffer, 1975: 126) as argued by resource dependence theorists.

Period 1 (1994-1996): Resignation or Support. Period 1 saw resignation or support to reforms with large components of substantive organizational activity. This response can be represented as an outcome of four broad mechanisms: (1) AHW exerted strong coercive pressures and implemented major funding cuts over a short period of time; (2) top managers of 14 of the 17 RHAs were either resigned to the change or actively supported these reforms leading to substantive compliance to several business-like principles; (3) there were concerns but little protest by staff; and (4) there was anxiety but limited evidence of protests by the community (see Figure 5.1).

Prior to clarifying the immediate institutional effect and substantive activities in Period 1 (1994-1996), it is important to acknowledge the role played by the composition of the Boards and several other top managerial appointments. The Boards and Chairs were appointed by AHW and were people who supported the Progressive Conservative party and had a business outlook. So, the various selection processes were strongly biased to top managers who would support the government’s actions through substantive compliance.

While previous theory points to institutional pressures leading to gradual change over time (Tolbert and Zucker, 1996, 1983), I was surprised to find the period immediately following the reforms was characterized by little protest by

top managers of RHAs or other stakeholders. It appeared that the “force” by which coercive pressures were being exerted (Lawrence et al. 2001) caused resignation and acquiescence leading to substantive organizational activity in the first three years following the *RHA Act*.

“...Health care costs must be reduced (in Alberta) by \$700 million over four years...It is the premier's boast he has done all his deficit control through spending cuts, not through tax hikes. The advice he has been sharing with eastern Canadian politicians is to cut quick and cut deep when revising budgets... "You have to hunt where the ducks are" is Mr. Klein's metaphor for slashing into health and education budgets...” (*The Hamilton Spectator*, 01 October 1994).

As premier of Alberta, Mr. Klein's advice to “cut quick and cut deep” while revising budgets shows a high level of confidence in this approach to reform. A review of annual reports published by RHAs and newspaper articles published in the early years of reforms revealed that Mr. Klein was correct as changes were significant and immediate. “Restructuring necessitated job losses, job changes, closing facilities, changing roles of facilities and generally creating more radical changes in one year than the health system has ever seen” (Chair and CEO, RHA 10, Annual Report, 1995-1996: 1). Examples of the large scale and substantive changes included RHA 10 announcing a “cut in 950 health-care jobs”, RHA 4 announcing “the loss of up to 1,400 such jobs” (*The Globe and Mail*, 11 October 1995), and a southeastern region planning “to cut 114 of 359 acute-care beds in six hospitals throughout the region for a savings of \$7.8 million over the next three years” (*The Globe and Mail*, 12 October 1995).

More specifically, I found four of 17 RHAs actively supported the business-like system and expressed optimism that the reforms were the correct way forward; ten of 17 RHAs were resigned to the fact that these changes were inevitable; and only three RHAs resisted the new system. A few representative quotations of supportive statements by the four RHAs include the Chair and CEO of RHA 5 (1995-96: 2) arguing that the "reorganization of management has helped integrate programs and improve services"; "Palliser Health Authority continues to support the principle of functional integration of programs and services" (RHA 2, 1995-96: 12); the "centralization of departments, both support and clinical, has led to a more coordinated approach in the delivery of services" (Board and CEO, RHA1, 1995-96); and "Major savings have resulted from the consolidation of boards, administration and business functions such as business and finance... We have been fortunate to be able to do that (ensure access) and avoid many of the problems of the larger and more complex regions. **Patient care has actually improved**" (bold in original) (Chair and CEO, RHA 1, 1996-97: 12).

Top managers of ten RHAs, however, appeared to express a certain level of resignation due to the inevitability of the reforms. Like compliance, these are a type of acquiescence (Oliver, 1991): "One choice that was not open to us was continuing on the funding path we in healthcare had followed for decades...The letting go of some of our traditional approaches and services has been challenging, but is an inevitable reality in healthcare reform...We believe that we

have made the best choices" (Chair and CEO, RHA 4, 1995-96: 1-2). Top managers were also careful to acknowledge that their "task was not easy" and how it "took forethought, strength and -- at times -- courage to continue with the changes" (Chair, RHA 7, AR 1995-96: 2). Several top managers rationalized these changes were inevitable across other sectors:

"The move to eliminate duplication and streamline operations is not exclusive to the health sector. Whether you look at municipal and provincial governments, school boards, social services, or post-secondary education, you see the same forces working to eliminate waste, increase efficiencies, and bring budgets in line with what Albertans can truly afford to support" (CEO, RHA 9, 1995-96).

While a majority of RHAs either supported or were resigned to a business-like system, three RHAs appeared to resist the changes being hoisted upon them by AHW. Particularly noteworthy was the resistance by the top managers of RHA 10 who expressed serious concerns with the reforms and openly challenged AHW's decisions in their formal corporate communications. While those top managers who were resigned to a business-like model argued in favor of a strategy in which a "dramatic change (was) made in our first year of operation" (CEO, RHA 7, Annual Report, 1995-1996: 3); top managers of RHA 10 argued they "deliberately slowed the pace of change, in large part due to the input from the staff and the public that more time was needed to absorb the change" (Chair and CEO, RHA 10, 1995-96: 2). In the same letter they explained how they were resisting AHW pressures by expressing concerns with the reforms process and were successful in getting AHW to relent to their demands:

"The Board proved to be an effective advocate for the citizens in the region...When it became clear in November that a further planned cut of \$37 million was unacceptable, the Province again responded to our advocacy... Finally, the Board argued a need for an additional \$21 million in funding to sustain current operations. The province, through the Oberg report, reviewed CHA's operations, and agreed that interim funding was necessary..."(p. 2).

--- INSERT FIGURE 5.2 ABOUT HERE ---

The early years of the reforms were characterized by few protests by other stakeholder groups such as the community and staff. While analyses of documents and articles shows a certain level of concern and anxiety by the community, the lack of evidence about organized or extreme patient activism in corporate communications or newspapers demonstrates there was limited protest in Period 1. The success of AHW in introducing large-scale reforms with huge layoffs and facility closures without too much protest is astonishing. Budgetary allocation for healthcare fell from \$4.2 billion for 1992-93 to \$3.7 billion dollars for 1995-96, and modestly rose to \$3.8 billion for 1996-97 (see Figure 5.2). These cutbacks are quite substantial and point to a substantive response considering the steadily rising costs of healthcare due to improvements in technology, higher prescription costs, an aging population and higher expectations of the community. Even the resistance by other stakeholders to a business-like model was passive at best. Consider the article in *The Hamilton Spectator* in which the president of the Alberta Medical Association expresses concerns but does not challenge the reforms process:

"Dr. Fred Moriarty, newly-elected president of the Alberta Medical Association, wants Mr. Klein to sit back and assess what

has happened to date before carrying out the next round of planned cuts..."The effects of the (first-round) funding cuts are not yet fully implemented," Dr. Moriarty says. "So the consequences of those cuts, we won't fully feel until next year. We think there should be some public debate before further cuts are made. The only measure of success so far is the fiscal one--that they reached their targets," (1 October 1994).

AHW therefore appeared to emerge as the salient stakeholder to top managers because of the use of force, limited protests by the staff and community, and the plausibility of reforms as these business-like principles of organizing were occurring across several disciplines. Top managerial accounts (Scott and Lyman, 1968) also point to cognitive legitimacy by virtue of "comprehensibility" (Suchman, 1995). An issue may be comprehensible without evidence, direction or precedent, as all that is needed is a plausible alternative that appears credible during chaos (Suchman, 1995). The giver of the message has the onus of creating plausibility which does not need detail.

However, towards the end of the first period discord in the healthcare field started to brew. This next excerpt highlights the concerns of physicians:

"The province's physicians are set to launch Stop the Cuts - the most important campaign ever undertaken by Alberta doctors. Dr. J. Guy Gokiart, president of the Alberta Medical Association which represents the 5,100 members behind the campaign, says the public awareness initiative calls for an end to cuts in Alberta's health care system. "Physicians feel they can no longer remain silent," explains Dr. Gokiart. "We have spent the past two years trying to work with the health reforms - but are now concluding that the cuts have gone too far and our health care system is no longer working well" (*Canada NewsWire*, 15 November 1995).

Here the president of the Alberta Medical Association (AMA) acknowledges that while physicians had remained silent for the first two years of the reforms, they were now organizing more forcefully. The resignation to the reforms by top managers, however, did not last for long. Towards the end of the first period, top managers of RHAs became more critical and less supportive of, or resigned to, the reforms. This occurred due to a marked decline in community confidence in RHAs. The status of AHW as the salient stakeholder for top managers of RHAs was gradually being challenged by the community.

Period 2 (1997-1999): Resistance. Period 2 witnessed resistance by top managers of several RHAs towards a business-like system. This response was characterized by four components: (1) a major decline in patient satisfaction was directly attributed to the healthcare reforms; (2) there was growing staff and physician discontent with the effects of reforms; (3) AHW was still expecting acquiescence and fighting back RHA resistance towards reforms; and (4) there was resistance to business-like principles of healthcare by top managers of 11 of 17 RHAs (see Figure 5.2).

The fundamental argument is, Period 2 was characterized by a decline in cognitive legitimacy due to poor patient satisfaction. This type of negative evaluation by top managers, caused by their support and implementation of the reforms, led them to question the “moral (or normative) legitimacy” (Suchman, 1995). This low moral legitimacy occurred due to growing frustration that the

cost-cutting drive had gone too far. Consider this excerpt highlighting the decline in available services in Alberta:

"They told me they would have to look for a bed elsewhere -- maybe Vancouver or Saskatoon," the daughter said. "Then they said they found a bed in Saskatoon and that was the last intensive care bed in Western Canada. That is not acceptable" (*Kitchener-Waterloo Record*, 27 February 1998).

Another article published in *The Globe and Mail* pointed out that the reforms have "left nearly half of Albertans dubious about whether the system will be able to care for them when they get sick" (16 January 1998). This decline in patient satisfaction is acknowledged by the Minister of Health who accepts "this year's reports point to a drop in ratings in the quality of health services received" (AHW Annual Report, 1998-1999: 8). Similar concerns were also raised by several top managers of RHAs. I share one such example of poor public opinion:

"A subsequent poll conducted in May by Angus Reid found 61 percent of those polled think the Calgary healthcare system is in crisis. That poll also revealed that 39 percent of respondents do not believe the CRHA is listening to Calgarians views on healthcare. During the next year, one of our major objectives will be to close the gap between people who say we're doing a good job and the people who are concerned we are in a crisis. We will also demonstrate that we are listening (Chair and CEO, RHA 4, 1998-99: 5-6).

Several RHA documents also revealed the reforms had a negative impact on relations with the staff. One communication shared: "Restructuring has had a significant impact on staff morale...feelings of fear, frustration, exclusion, and mistrust have been common as have concerns about workload, stress and lack of

recognition” (RHA 13, 1997-98: 40). There were rising instances of staff, physicians and nurses beginning to challenge AHW’s authority.

An article titled “Nurses, Reform give Klein a jolt” highlights a strike by nurses protesting against AHW policies. Heather Smith, the president of the United Nurses of Alberta explained: “Patient care has been compromised and threatened every day for the past four years...Maybe someone will look at that now” (*The Globe and Mail*, 26 February 1997). Physician activism started increasing towards the end of the first period, as described in the newspaper article “Doctors force Klein government to recognize Alberta's health crisis”. Physicians and other healthcare staff began to assume an advocacy role as highlighted in the following excerpt:

“Now we know what it takes to get the Klein government's attention. What it takes is an extraordinary hardening of attitudes by people who, traditionally, are champions of the status quo: doctors, nurses and other health-care givers have joined forces to send a message” (*Kitchener-Waterloo Record*, 2 August 1996).

While AHW’s authority as the salient stakeholder was being repeatedly challenged by several other stakeholders in Period 2, it tried to reiterate its views and assert its authority. For example, the Minister of Health (Business Plan Update, 1997: 2) argued, “Some Albertans have expressed concerns whether or not such dramatic change was necessary. The answer is yes. Costs in health were spiraling virtually out of control. The health system was not well organized and there was costly duplication of services. Two hundred separate health and hospital boards added to administrative costs.” AHW also resorted to some

extreme measures. *The Globe and Mail* reported AHW's move to blow up a hospital building with dynamite and broadcast it live on television to show its commitment to the reforms.

"They have been setting dynamite for days throughout the skeleton of what was once Calgary's foremost hospital. And they have been sending out evacuation notices to anyone who lives within a block or two of the old downtown General Hospital, which the Calgary Regional Health Authority formally calls the Bow Valley Centre. The notice tells residents to get out of their homes for at least four hours on Sunday morning while the hospital's seven buildings are blown to bits. Two television stations in Calgary will carry live coverage of the early-morning demolition and two more are considering whether they ought to...It's all part of what some say will be an unprecedented North American spectacle: the reduction to rubble of a massive complex of buildings that until a matter of months ago was a high-tech urban hospital worth \$300-million" (2 October 1998).

The decline in patient satisfaction was often construed as a consequence of excessive attention to administrative efficiency in the first period. A CEO explains this contradiction between the expectations of the government and the community: "Two over-riding forces now drive health service delivery in our region. People are better informed about health services and want more sensitivity to their health needs, and government has become more price conscious and is demanding lower costs and greater efficiency" (RHA 15, Annual Report, 1996-1997:4). The decline in patient satisfaction was the biggest threat and made RHAs face a crisis of legitimacy in the eyes of the constituents they were mandated to serve. Dutton and Jackson (1987: 81) explain that threats, identified through attributes of "negative" and "loss" are more likely to be

attended to than opportunities. The community was now emerging as the salient stakeholder due to a sharp decline in patient satisfaction.

Once an issue has been categorized, it is more likely to be acted upon (see Dutton and Jackson, 1987: 84). Top managers went to great lengths to acknowledge that "the theme of responding to public need emerges repeatedly" (CEO, RHA 14, Annual Report, 1997-1998: 3). They explained how they had "increased the frequency, nature and scope of our community consultation" (Chair and CEO, RHA 1, Annual Report, 1997-1998: 4), and emphasized "the Board recognizes that the most important element in setting future directions are the residents we serve" (Chair, RHA 14, Annual Report, 1998-1999: 1). A decline in patient satisfaction had bolstered several RHAs to voice their dissent and on occasion led to the firing of boards.

"Health Minister Halvar Jonson said he replaced the 15-member Lakeland Regional Health Authority board with an administrator because the government-appointed group wasn't doing its job. "The primary reasons for the decision made today followed a number of efforts at review and improvement in the fiscal management and governance style of the board," Mr. Jonson said. In January, board chairman Dareld Cholak said he refused to make spending cuts that would threaten the health of residents -- even if it meant he lost his job. "If I get replaced, at least I know we did what we could and patient care is not in jeopardy," he said. "It's already down to the bare bones. There is no more room to cut without hurting the people of this region" (*The Globe and Mail*, 19 February 1999).

Although the second period (1997-1999) saw the emergence of the community as the salient stakeholder due to a decline in patient satisfaction and an increase in staff and physician advocacy for the community, undercurrents of

staff and physician frustration were becoming stronger with time. The nurses wanted better wages, other healthcare providers wanted job security in light of the contracting out of services, and physicians wanted better salaries and authority in healthcare delivery. The inattention to staff and physician views (henceforth referred to as staff) in previous years set the stage for a volatile few years that would see more strikes and protests that undermined AHW's authority. The third period would see the staff emerging as the salient stakeholders for top managers. It would also see AHW raising funding for RHAs and giving into staff demands. This led to a period of conciliatory interaction.

Period 3 (2000-2002): Conciliatory Stance. Period 3 saw the adoption of a more conciliatory stance by top managers of RHAs. This was characterized by four components: (1) 1999-2000 saw many strikes and activism by staff and physicians; (2) AHW softened its stance by increasing funding to RHAs and paying more attention to staff/physicians; (3) there was a truce from staff and the community; and (4) there was a conciliatory stance by 13 of 17 RHAs leading to high levels of compliance once again.

The conciliatory stance by top managers of RHAs was largely due to significant increases in funding for RHAs (see Figure 5.1). Healthcare budgets increased from \$4.4 billion in 1998 to \$ 6.3 billion in 2002, an increase of \$1.9 billion or 43.18% over a four-year period. These funding patterns are in sharp contrast to the previous six years (1992-1998) which saw an increase by only \$ 0.2 billion or 4.76%. Also, greater attention by AHW and RHAs towards staffing

issues reduced their hostility. The phase of poor moral legitimacy (Suchman, 1995) in Period 2 was again “episodic” as it was resolved through funding increases for RHAs, and attention to staffing needs through salary increases, hiring and making physicians a part of the decision-making process. That is, former adversaries were gradually becoming “constituents” and began interacting in a more conciliatory manner due to the practical benefits of these changes in AHW policy. I believe these steps by AHW created a period of “pragmatic legitimacy” through exchange (Suchman, 1995). This type of legitimating strategy – placating constituents by meeting their immediate interests – might be seen as “pathos appeals” (Green, 2004). Green (2004: 659-660) argues how these appeals “will have a fast rate of adoption”, albeit temporary and short term. An example of a shift in AHW policy is seen in the Minister’s letter:

“To improve results, we started by increasing total healthcare expenditures by 14.5 per cent, to \$5.6 billion. This new funding enables regional health authorities to hire over 1000 additional front-line staff” (AHW Annual Report, 1999-2000: 4).

Period 3 also saw the emergence of staff as the salient stakeholder for top managers. By 2000 attention to staffing was highest by both AHW and RHAs. 13.3% and 28% of Ministerial attention was directed to it in 1999 and 2000, compared with 0% in 1995 and 3.4% in 1998. Similarly, TMA to staffing were highest in 1999-2001 with 25.3%, 29.4% and 26.1% of top managerial statements devoted to it. An analysis of newspapers revealed that staffing represented 55.17% (16 of 29) of TMA in 2000. An example illustrates this shift: "Our Board at its annual planning retreat determined that the highest priority for our

region for 1999-2000 was to add staffing for core programs" (RHA 2, Annual Report, 1999-2000).

Although one might construe these shifts in AHW policy as a consequence of declining patient satisfaction and staff frustration, it is important to recognize that by 2000 the oil boom in Alberta had created a situation that was quite different from the early years of regionalization. Simply put, the rising wealth in the province had created an environment where it could increase monies spent on healthcare.

The emergence of staff as the salient stakeholder occurred through strikes and activism. "Hundreds of surgeries were cancelled and hospitals were operating at minimal service levels across Alberta yesterday as 10,000 nurses and other health care workers staged an illegal strike" (*National Post*, 25 May 2000). A five-stage plan by physicians implied "rotating work stoppages varying by location and specialty" and "Mar (Minister) got a first-hand taste of public discontent with the job action last week when some doctors had their clinic phones forwarded to his Calgary office" (*Canadian Press*, 11 December 2000). On one occasion, physician activism led to the resignation by the Board of Directors of an RHA.

"Association doctors voted at a mid-August meeting 59 to 1 for a resolution calling on Alberta Health Minister Gary Mar to disband the board and properly fund needed services in the region. Citing an inability to balance the demands of doctors for better patient care and keeping a tight budget, the 11-member board resigned Tuesday (*Canadian Press*, 5 October 2000).

This period also saw several rounds of negotiations between the staff and AHW to improve salaries and working conditions. Surveys repeatedly reported the staff was unhappy with the attitude of their employers. A survey of physicians conducted by the Alberta Medical Association (AMA) pointed to roughly half the physicians being unsatisfied. Consider this excerpt from the *Kitchener-Waterloo Record* reporting physician anger:

“It is becoming an increasingly frustrating way to make a living,” said Bond (President, AMA). “The rewards from the patients are significant but you seem to be under-appreciated and undervalued by other parts of the health-care system such as government and regional health authorities” (18 September 2000).

The funding increases to RHAs and the positive response of AHW to some demands by the staff finally ended this impasse. Increasingly, RHAs started reporting better relations with its staff, as in cooperating "with the Regional Medical Staff to successfully recruit additional physicians to communities in the region" (Chair and CEO, RHA 11, Annual Report, 1999-2000). AHW also intensified its efforts to appease staff by improving wages and intensifying efforts for implementing an alternative remuneration plan for physicians. Consider for example the following excerpt from a newspaper article:

“In May, the CHR said it had about 650 more nurses compared to the same month last year. The total stands at 7,813, and in the last three months there has been a net increase of 174 nurses. Noreen Linton, director of the chief nursing office at the CHR, said regions and governments across Canada have reacted strongly to the dearth of nurses to overcome what's emerged as a worldwide shortage. "We put lots of different measures into place to recruit nurses, to increase the number of seats in nursing schools in

Calgary, Alberta and Canada, so we're in a very different position this summer," said Linton. Recruitment is one thing, but the situation is a lot more welcoming in Alberta, partly because there's more appreciation for their work but also because of higher wages -- 17 to 22 per cent increases were granted last year." (*Calgary Herald*, 29 July 2002).

These "higher wages" and a "lot more welcoming (situation) in Alberta" were beginning to cool down the frayed nerves as there was a sharp drop in top managerial hostility towards AHW. While RHAs continued to ask for more resources, vocal protests were gradually dying down. AHW also became less inclined to micro-manage the RHAs, an example being: "The Minister will no longer approve business plans of Authorities" (Annual Report, 2002-2003: 151).

In summary, analyses of TMA in Phase 2 pointed to the effects of episodic legitimacy (Suchman, 1995) upon top managerial support, and as a consequence, on the type of organizational response to institutional directives. Despite the authority and use of force by AHW, different stakeholder groups assumed salience. This finding represents a significant departure from Phase 1 and the theoretical framework which had not considered how "power and potency" of institutional norms may vary across time (Dacin, 1997). It also elaborates on the role of episodic legitimacy (Suchman, 1995) upon top managerial compliance – an underdeveloped area in institutional theory.

Comments by a Regulatory Authority on Inadequate Compliance

The previous section showed the different levels of top managerial support for a business-like healthcare system and clarified that acquiescence did not fully occur. This section elaborates on the areas of inadequate compliance – both through symbolic actions and non-compliance – found in Phase 1 and describes the reasons behind these as clarified by a regulatory agency, namely the Auditor General (AG) of Alberta. The AG expressed “significant reservations of opinion”, an “adverse opinion” and a “reservation of opinion” on the performance of AHW in several annual reports (1996-1997; 1997-1998; 2000-2001; 2001-2002; 2002-2003). As clarified earlier, the AG performs a watchdog role with a potential for embarrassing the government but with no legislated role in healthcare delivery.

While data analysis in Phase 1 showed that greater institutional attention led to greater TMA but not to greater organizational activity (specifically on wellness), it did not explain why this happened. This initial evidence – effect on TMA but not on budgetary allocations – points to a symbolic response by RHAs. In addition to confirming areas of symbolic actions by RHAs, analyses in Phase 2 provided insights into new areas and causes of both symbolic actions and non-conformity. By areas, I mean instances of symbolic actions and non-conformity. By causes, I mean the factors that led to such responses. My investigation is driven by the rationale that current evidence of incomplete conformity to institutional directives – both through symbolic actions and non-conformity – is

theoretically interesting as opposed to proving that coercive pressures do not lead to substantive organizational activities.

--- INSERT TABLE 5.2 ABOUT HERE ---

As highlighted in Table 5.2, the AG was critical of the lack of control by AHW over RHAs. As several quotations from each year's annual reports are included in Table 5.2, I shall only highlight salient ones below.

Areas of Inadequate Compliance. Examples of a lack of substantive response are weak compliance; weak accountability and weak isomorphism (see Table 5.2). By weak compliance, I mean the intentional or fully-informed lack of attention to well-articulated institutional directives on a business-like model of healthcare. This appears to serve as strong evidence of RHAs' response to a business-like model, and is seen as defiance by RHAs towards well-defined institutional expectations. By weak accountability, I mean the intentional or accidental lack of attention to business-like norms of healthcare by RHAs. This appears to serve as modest evidence on the inadequate adoption of a business-like model of healthcare. By weak isomorphism, I mean a lack of similarity or homogeneity (Deephouse, 1996; DiMaggio and Powell, 1983) in planning or actions of subordinate organizations. Weak isomorphism implies lack of similarity among subordinate organizations due to a lack of acquiescence to standardized and predetermined planning indicators such as quantum of beds to be maintained per 1000 population, appropriate bed utilization rates and so forth.

The AG pointed to several instances of weak compliance to institutional guidelines. Noteworthy areas of non-compliance are RHAs disregarding clearly-defined business planning requisites and guidelines and not following performance indicators: “(RHA) business plans for 2001-2002 are yet to be submitted to the Minister and approved as of July 2001” (Annual Report, 2001-2002: 128); “...no agreement (between AHW and RHAs) about the definition of a balanced budget at the time when ten health authorities were budgeting operating budget deficits for 1998-99” (Annual Report, 1998-1999: 184); and RHAs not accepting a “proposal to set financial reserve targets” (Annual Report, 1998-1999: 190).

The AG also raised several other concerns that relate to weak accountability. One such example of a symbolic response was on how “business planning (by RHAs) may be little more than a paper exercise or a device to negotiate more money rather than an effective system of accountability” (Annual Report, 1999-2000: 133). As also, while RHAs were submitting formal reports, they were continuing to “submit budget plans showing they will expense more than planned revenues with resulting deficits” (Annual Report 2000-2001: 112). On occasion, such weak accountability was attributed to the government an example being that RHAs were not being “required to spend money in the same proportions as the funds are allocated for them for each of the major services areas (e.g. home/community) in the funding model” (Annual Report, 1997-1998: 125). These statements point to a lack of substantive acceptance despite the

symbolic adoption planning procedures through “paper exercise(s)” such as business plans.

The AG also alluded to areas of weak isomorphism or inconsistencies in the actions/plans of different organizations, as highlighted in the 1997-1998 Annual Report. “As of March 1998, this ratio (on acute care beds) varied from less than 1 to 2.9 beds per 1,000 population of each of the 17 regions. The difficulty comes in trying to understand the...three-fold difference” (p. 195). While AHW was trying to make RHAs follow standardized guidelines on available services, this was not happening. Other inconsistencies include “data provided by the Department of Health, Chart 1 shows that regions varied from about 24 to 73 long-term care beds per 1000 over age 65” (p. 196) and “occupancy rate for acute care beds ranged from 22% to 89%” (p. 199).

Causes of Symbolic Inadequate Compliance. Analyses of these annual reports pointed to five major reasons why substantive organizational actions were not fully occurring on a business-like healthcare system. In Chapter 2, I shared how the operationalization of Oliver’s (1991) framework would point to a substantive response. While regionalization created 17 new RHAs that adopted business-like discourse and planning, the evidence of weak accountability, weak compliance and weak isomorphism in the face of coercive pressures on public-sector organizations is surprising. One reason is that relatively few studies have focused on responses to coercive pressures (Mizruchi and Fein, 1999). Also,

these findings are more likely to occur through a fine-grained analysis, a technique that is underspecified in the theory (Barley and Tolbert, 1997).

--- INSERT TABLE 5.3 ABOUT HERE ---

While the AG was critical about the weak adoption of business-like principles, he pointed out that, in instances, this might be happening for reasons beyond AHW or RHA control. The five broad themes of the causes of incomplete compliance are limited control of RHAs over physicians, lack of incentives for RHAs to comply, complexity, contingencies differ, and a lack of clarity in institutional directives (see Table 5.3). By limited control of RHAs over physicians, I mean that while physicians are largely responsible for driving costs, top managers have little control on what physicians do. By lack of incentives for RHAs to comply, I mean the environment in which the threats for compliance may exceed the benefits for compliance. By complexity, I follow Perrow (1984) who conceptualizes a complex system where the consequences of a given action are difficult to predict. Specifically, it was impossible for AHW (or top managers of RHAs) to foresee the consequences of reforms on the multiple dimensions – efficiency, quality, patient satisfaction, staff reactions – that may lead to incomplete adoption. By contingencies differ I follow Donaldson (2001) who argues that the specific task environment in which an organization operates affects its activities. Hence, the divergent task environments of urban and rural RHAs should lead to different responses due to differences in demographics and

geographic constraints (Hinings et al. 2005). By lack of clarity in institutional directives, I mean poor articulation of, or frequent shifts in, AHW directives.

The first factor the AG pointed out as leading to incomplete compliance to institutional directives was RHAs having limited control over physicians. In specific, although top managers of RHAs were responsible to just one constituent – AHW – they had little or no control over the physicians under their jurisdictions despite physicians being the largest driver of healthcare costs. An RHA explained how the “alignment of goals and objectives between physicians and the Regional Health Board is difficult with physician remuneration being separate and apart” (RHA 16, Annual Report, 1996-1997: 56). A similar observation was also raised by the AG in the Annual Report (1995-1996: 133): “If health authorities are to be held accountable for the cost and effects of health services...it is also reasonable to assume that they should be able to influence how physician services are delivered in the area.” The following excerpt describes the causes and consequences of this lack of control.

“What health physicians do in treating patients drives much of the health system costs that health authorities are expected to manage within budget. Changes made by health authorities in the way services are delivered can impact physicians and physician budget. Bringing the two together is a significant challenge since physicians and health authorities may have different agendas, values and behaviours” (AG of Alberta, Annual Report, 1999-2000: 127).

Here the AG clearly specifies that such a clash between the RHAs and physician goals are a consequence of “different agendas, values and behaviours.” While the physicians were subscribing to values driven by

medicine-based principles of delivering healthcare with a premium on quality and professional delivery, top managers of RHAs were being coerced to subscribe to business-like principles that placed a premium on efficiency. One could also argue that the interests of the two actors differ. While physician behaviour is driven by a quest for professional autonomy, top managerial behaviour is driven by a desire to be seen as legitimate by AHW. Thus the ineffectiveness of AHW in coercing business-like principles of healthcare are not surprising, taking into consideration the differing values and interests (Greenwood and Hinings, 1996) of these two powerful actors.

Another cause for incomplete compliance was the lack of incentive for top managers of RHAs to comply. Taken to its extreme, the argument here is the threat of non-compliance was not strong despite the fact that the “local agency (an RHA, was) accountable to one administrative body (AHW)” only (Oliver, 1991). The AG was particularly critical that RHAs were not reporting key factors such as operational-level actions taken by RHAs to address various issues and were also not evaluating the effect of these actions on key health indicators and outcomes. It appears that over a period of time, both symbolic actions and violation of institutional guidelines occurred without detrimental consequences. For example: “While various reports are published showing trends in services, information is not produced that compares budgeted (targeted) activity and funds

with actual services and costs.” (Annual Report, 2000: 117). The above quote points to a symbolic response in that producing ambiguous reports was common.

In addition to elements of symbolic actions, analyses of these reports also pointed to some extreme examples of non-compliance by RHAs including RHAs planning for deficits, running in deficit, spending monies on areas not sanctioned and not submitting planning documents in a correct format or time frame. An excerpt illustrates this point raised by the AG in the 1997-98 Annual Report:

“The “no-loss provision” adjustment (budget increases for all RHAs and no budget cuts regardless of RHA performance) was used to shelter certain health authorities which otherwise would have suffered a funding decrease under the formula...The “no-loss” provision also reduces the incentive...” (p. 128).

Here the AG specifically uses the word “incentive” to describe how the lack of such incentives reduces the likelihood that RHAs will take institutional directives as seriously as they should. The AG was particularly critical of AHW’s policy to provide additional funding after budgets had been approved. In his Annual Report (1998-1999: 132), he is concerned how the period of “January 1998 and May 2000” saw “more than 25 additional funding decisions.” He believes that “while subsequent additional funding may provide relief from immediate budget pressures, it is not conducive to good budget management since repetition may create the expectation of continuing amounts” (p. 132).

The AG also alluded to how a lack of clarity in institutional directives by AHW was partly responsible for the lack of compliance by subordinate organizations. Examples include too many performance measures, non-actionable

mandates, and repeated shifts in AHW expectations. Specifically the AG was categorical about how “too many (performance) measures create confusion and there is a need to sort out what is most relevant” (Annual Report, 1998-1999: 187). He also was concerned that “conditional grants are not separately identifiable from unconditional grants within the Department’s accounting system” (2002-2003: 153), and mentioned as late as 2002-2003 how AHW issued several directives which were hard to execute, an example being the “mandate (of Province Wide Services Working Group) is stated in general, non-actionable terms...clarity of the mandate is required” (Annual Report, 2002-2003: 155). In other words, some content of institutional directives (Oliver, 1991) was ambiguous and non-actionable, leading to symbolic actions and non-compliance by RHAs.

The AG also acknowledged the complexity of the system made a standardized response and coordination among the various functionaries difficult. He occasionally used the words “complex” and “complexity” (see Table 5.3) to explain how “health restructuring has provided the management of health authorities with extraordinary challenges that must be tackled” and acknowledged that “such an environment of complex service delivery and restructuring tests the very best of managers” (Annual Report, 1995-1996: 119). RHAs did not have the chance “to draw on the experiences of other jurisdictions since none had attempted a comparable restructuring within a similar time frame” (1995-1996: 139). Simon (1947) explains that top managerial understanding is more likely to

occur when based on facts (or past experience) than on abstract values. The lack of precedent and the speed of reforms had caused difficulties in the implementation in an already-complex system. Another example of complexity was the presence of multiple bodies that included 17 RHAs, two provincial health boards, ten professional associations and multiple committees (Annual Report, 1996-1997: 117).

A complex system causes unanticipated interactions and enhances the probability that a given system will fail (Perrow, 1984). This appears to have happened in Alberta where AHW was unable to legitimate its reforms due to unanticipated consequences on multiple components of the system, such as high attention to efficiency in Period 1 (1994-1996) which caused rippling effects on the community in Period 2 (1997-1999) and staff support Period 3 (2000-2002).

A final cause for incomplete compliance to institutional directives by RHAs was differences in the contingencies of the various RHAs (also see Hinings et al. 2005). The AG explained how it might be a bit unrealistic to expect similar and substantive responses to institutional expectations from RHAs that operated under totally different technical conditions with vast diversity in determinants of healthcare service to include factors such as geographical size, density of population and type of demographics.

“There may be several reasons (in service costs and utilization) for differences (between urban and non-urban RHAs) including people in urban regions making greater use of services outside of a hospital or other RHA facility. People in rural regions may commonly go to a hospital for care because they do not have a family doctor” (AG, Annual Report, 1999-2000: 46).

I noticed this theme while analyzing the annual reports in which RHAs confirmed the difficulties in both comprehending and coordinating their activities. Specifically it appears that although many AHW policies are relevant for RHAs with large urban populations in comparatively small geographic areas, all RHAs were required to follow them. Therefore, expecting a substantive organizational response across the board is unrealistic. An excerpt from a top managerial communication illustrates this:

"I grew up in a farm in the Parkland of Saskatchewan. I have spent most of my working life in the health system, much of it dealing with rural communities as they struggle to survive and to thrive. Providing health services in a rural region with 104,000 people is much more challenging than meeting the needs of a similar population in an urban centre...Everyday they (staff) make extraordinary efforts to meet the challenges of increasing demands, distance, weather and continuous change" (CEO, RHA 7, Annual Report, 1998-1999).

TMA in Newspapers

The principal aim here is to compare top managerial communications in newspaper articles with TMA in annual reports. Out of an initial list of 943 articles (which were subsequently reduced to 351 after removing duplicates), only 93 articles had top managerial communications. While analyses in Phase 2 cross-validated the issues in Phase 1 as being comprehensive and representative of major issues that caught TMA, newspaper articles offered several insights into top managerial cognition with specific reference to instances of defiance, as shared in earlier sections.

--- INSERT TABLE 5.4 ABOUT HERE ---

A total of 120 different top managerial statements existed in these 93 articles. Consistent with Phase 1, each statement was coded separately for referring to one or more issues. Table 5.4 lists all the issues that received TMA and the number of times each of the 18 issues received TMA. These descriptive statistics need to be interpreted with caution as the sample is skewed in favor of latter years and larger organizations. Issues often got TMA when questions were raised on those in articles, and it could be argued these communications were largely solicited by newsworthiness.

Despite these limitations, I found that the eight issues – administrative efficiency, wellness, home/community, technology, staffing, patient satisfaction, quality and increased funding – as identified in cover letters (Phase 1), represented 81.62% of overall TMA in newspaper articles (Phase 2). More specifically, 111 of the 136 issues that got TMA in Phase 2 had been identified in the previous phase of the study. These figures provide some face validity on the comprehensiveness of issues identified in Phase 1.

However, there are two major areas of departure from Phase 1. First, a surprising finding is the absence of any top managerial discourse on wellness in the newspaper articles. This is in contrast to a great deal of TMA and institutional discourse on wellness in the annual reports. A potential reason may be wellness is not an urgent or newsworthy issue. In contrast, TMA to wellness appears mandatory in RHA cover letters to show compliance to institutional directives.

Later analysis will reveal that despite high TMA to wellness, it has low organizational activity as there is no significant change in expenses over time. Also, it is accompanied by low structural elaboration. Therefore these results may have some validity.

Second, quantum of TMA in newspapers differs from quantum of attention in annual reports as a correlation test revealed no relationship between the two ($r = -0.21$). The highest TMA among all issues is on staffing ($n = 38$), although this is not the case in the cover letters where administrative efficiency and wellness are the most discussed issues. This is followed by patient satisfaction ($n = 24$), administrative efficiency ($n = 15$) and quality ($n = 12$). These four issues also received fairly high TMA in cover letters. Consistent with Phase 1, home/community ($n = 7$), technology ($n = 11$) and increased funding ($n = 4$) received lower TMA than the other issues studied in Phase 1.

In summary, the following conclusions can be made from the analysis of top managerial communications in newspapers. First, the issues identified in Phase 1 appear to be comprehensive as they represent 81.62% of top managerial discourse in Phase 2. Second, in contrast to high institutional discourse leading to TMA in cover letters, it appears that urgent or newsworthy articles are more likely to receive TMA in newspapers. Finally, an analysis of the 351 newspaper articles provide several candid insights into the uneasy move towards a business-like system of healthcare with specific reference to top managerial anger and reports of activism by staff and physicians.

--- INSERT TABLES 5.5 AND 5.6 ABOUT HERE ---

Structural Elaboration in Annual Reports

Coding of structural elaboration in annual reports published by 11 RHAs during 1995-2002 (n = 88) confirm the findings of Phase 1 and also point to areas of departure, including the quantum and type of structural elaboration. I find structural elaboration occurs across a continuum with planning at the lowest end, and infrastructure changes at the highest end of the continuum (Table 3.3). I argue that organizations may strategically incorporate only low-level elements of structural elaboration (planning, committees) to show symbolic conformity to institutional authorities without making any substantive or concrete changes (infrastructure commitments) necessary for change to occur. Also, type of structural elaboration might be additive (showing compliance to institutional directives) or deletive (non-compliant with institutional directives) in content (see Tables 5.5 and 5.6). Finally, although differing levels of activity occurred on the three issues with administrative efficiency receiving the largest quantum of substantive activity followed by home/community and wellness, this difference is not statistically significant.

A study of structural elaboration is important for three reasons. First, it serves as an additional measure of organizational activity. As shared earlier, there is a positive and significant relationship between TMA and high structural elaboration ($r = 0.67$; $p < .01$), offering further proof that greater TMA leads to greater organizational activity. Second, extent of structural elaboration (high vs.

low) offers additional insights into substantive and symbolic organizational activity. That is, large elements of low structural elaboration are indicative of symbolic organizational activities, and large elements of high structural elaboration are indicative of substantive organizational activities. Finally, the specification of organizational activity as something that might also be deletive in content is important as it helps to specify organizational non-compliance with coercive pressures.

Type of Structural Elaboration. A total of 3,592 instances of organizational activity were coded (Table 5.5), with 3,398 (94.6%) being additive acts and 194 (5.4%) being deletive acts. The highest quantum of additive structural elaboration occur on wellness (1,845), followed by administrative efficiency (975) and home/community (578). The highest quantum of deletive structural elaboration occur on home/community (161), followed by administrative efficiency (26) and wellness (7). On average, an RHA has 11.08 administrative efficiency, 20.97 wellness and 6.57 home/community additive acts every year. By contrast, there are 0.30, 0.08 and 1.83 deletive acts on the three issues respectively every year. These initial trends in Table 5.5 would point to wellness having the highest quantum of additive organizational activity. However, when one considers the quantum of structural elaboration on an issue, a somewhat different picture emerges.

Quantum of Structural Elaboration. As seen in Chapter 3, structural elaboration appears to cross a continuum starting at the low end with planning,

followed by the creation of rules, committees and programs, with infrastructure commitments at the high end. Repeated analyses reveal that the four coding classifications could be further narrowed down into two major categories, the principal difference being if the activity is followed by concrete changes in infrastructure, technology, staffing, concrete forms of healthcare delivery (immunizations, beds, and buildings) or spending. Hence, activities labeled as 1, 2 and 3 (planning, committee, program) constitute low structural elaboration and activity 4 (infrastructure) constitutes high structural elaboration. This classification is consistent with the literature that states symbolic activities, such as planning (Zajac and Westphal, 1995), committees (Meyer and Rowan, 1977) and projects (Westphal et al. 1998) may not constitute or translate into substantive organizational activity.

The argument being developed here is that the results found using high structural elaboration as a measure of organizational activity should be consistent with the one using expenses. Consistent with this argument, I find that TMA is positively related with high structural elaboration ($r = 0.67$; $p < .01$) but not with low structural elaboration ($r = 0.14$; $p = 0.53$). This offers convergent validity for the classification of structural elaboration into low or high and also cross-validates that expenses are a good measure of substantive organizational activity. These results, on the two categories of low and high, are presented in panels A and B of Table 5.6. Approximately two-thirds (65.93%) of the activities can be classified as low structural elaboration, and the remaining third (34.07%) as high

structural elaboration. Of specific interest is the issue of wellness which has the greatest amount of low structural elaboration at 80.54% (n = 1486), followed by administrative efficiency (n = 546) and home/community (n = 286). Wellness also has the least quantum of high structural elaboration (n = 359) as compared to administrative efficiency (n = 429) and home/ community (n = 410). Hence, while high structural elaboration constitutes only 19.46% of overall additive structural elaboration on wellness, it constitutes 44% and 58.91% for administrative efficiency and home/community. Another notable trend is the modestly high delective structural elaboration on home/community.

--- INSERT TABLE 5.7 ABOUT HERE ---

Differences in Quantum and Type of Structural Elaboration.

Differences in means (or medians) were tested within and across issues to understand trends (see Table 5.7). Panel A reports results of a Kruskal-Wallis test, which is a non-parametric test and appropriate when the assumptions of an ANOVA have been violated, such as the use of ordinal data. There is a significant difference in quantum of low structural elaboration across issues ($\chi^2 = 18.95$; $p < .01$). Wellness has the greatest quantum of low structural elaboration with a central tendency of 16.89 activities per year, as compared with 6.21 and 3.25 acts on administrative efficiency and home/community. However, there is no difference between the three issues on high structural elaboration ($\chi^2 = .74$; $p = .69$). Administrative efficiency has the greatest quantum of high structural elaboration with a central tendency of 4.88 acts per year, followed by 4.66 for

home/community and 4.06 for wellness. Overall, these results indicate differences in low structural elaboration but not on high structural elaboration across issues.

Panel B reports difference in medians between low and high structural elaboration within the three issues using Mann-Whitney U tests for independent samples. This is a non-parametric test that is recommended in place of a t-test to discern differences of median on ordinal data. Prior to doing the test, I checked for a potential correlation between low and high structural elaboration and found no correlation ($r = 0.069$; $p = .789$). The results of the three specifications of the Mann-Whitney U-tests indicate a significant differences in median between low and high structural elaboration on the issue of wellness ($U = 0$; $p < .01$) but not on home/community or administrative efficiency. One can therefore conclude that structural elaboration on wellness is more likely to be lower in content.

Panel C reports a difference in means in deletive structural elaboration using the Kruskal-Wallis test. There are significant differences between the three issues ($\chi^2 = 18.35$; $p < .01$). Home/community has the greatest quantum of deletive structural elaboration with a median RHA reporting 1.83 deletive acts a year, compared with 0.30 and 0.08 deletive acts on administrative efficiency and wellness. Panel D reports a difference in means on a change in organizational expenses across the three issues using an analysis of variance test (ANOVA). An ANOVA is appropriate here considering that ratio data is being used and no other assumptions are being violated. I find there is a significant difference on change

in expenses on the three issues ($F = 28.96$; $p < .01$). Administrative efficiency has a mean difference of 44.08% as compared with 29.56% for home/community and 22.30% for wellness. Although results in Phase 1 showed a difference in expenses on administrative efficiency and home/community over time, the change in expenses on wellness is not significant.

When the results on differences in high structural elaboration across issues (Panel A) are compared with change in expenses over time and difference in expenses between issues (Panel D), a fairly consistent picture emerges. It points to differing levels of organizational activity across the three issues with administrative efficiency having the greatest quantum of substantive activity, followed by home/community and wellness.

Two puzzling aspects, however, are the large quantum of low structural elaboration on wellness and the significantly great quantum of deletive structural elaboration on home/community. These aspects serve as important cues and are elaborated on in the subsequent sections which compare trends and differences across issues using the predictors of organizational activity – institutional attention, issue criticality TMA and rhetorics – as identified in Figure 1.3.

Differences in Attention and Discourse on the Three Issues

The principal aim of this section is to report on the results of trends and differences using inductive quantitative analysis (Palmer, 2006) on three separate

theoretical explanations– institutional attention, TMA and rhetorics – that were developed for organizational activity. Institutional attention has its basis in institutional theory (DiMaggio and Powell, 1983), TMA in attention-based theories (D’Aveni and MacMillan, 1990; Ocasio, 1997) and rhetorics in the literature on organizational discourse (Green, 2004; Phillips et al. 2003).

--- INSERT TABLE 5.8 ABOUT HERE ---

Table 5.8 reports the difference in mean institutional attention to the three issues using two specifications of ANOVA. There is a significant difference in Ministerial Attention to issues ($F = 5.618$; $p < .01$) with wellness getting the highest mean attention (26.45%), followed by administrative efficiency (22.5%) and home/community (6.98%). Similarly, there is a significant difference in AHW attention to issues ($F = 80.02$; $p < .01$). Again, the greatest attention is given to wellness (52.69%) followed by administrative efficiency (21.89%) and home/community (2.64%). Both specifications of institutional attention appear to be pretty consistent, the only caveat being it appears wellness got more attention from AHW than from the minister.

--- INSERT TABLE 5.9 ABOUT HERE ---

Panel A of Table 5.9 reports the difference of mean TMA across the three issues using ANOVA. There is a significant difference in TMA to the three issues ($F = 21.34$; $p < .01$) with administrative efficiency receiving the highest TMA (22.01%), followed by wellness (12.55%) and home/community (5.94%). Panel B reports results of ANOVA to test the difference of means of the various

rhetorics used. There is a significant difference in the use of assertion ($F = 7.17$; $p < .01$) with wellness being the most asserted issue (46.7%), followed by administrative efficiency (26.78%) and home/community (24.87%). Next, there is a significant difference in the use of justification on issues ($F = 8.67$; $p < .01$) with administrative efficiency being the most justified (29.65%) and wellness being the least justified (7.68%). Also, there is a modest difference in the use of without justification on issues ($F = 2.79$; $p < .10$) with home/community having the least without justification (57.59%) followed by wellness (44.72%) and administrative efficiency (43.58%). Finally, there is a significant difference in validation (sum of justification and without justification) across issues ($F = 7.17$; $p < .01$) with home/community and administrative being most validated (75.13%; 73.23%) and wellness least validated (52.40%).

Top Managerial Discourse and Organizational Activity

Results thus far point to a substantive response on administrative efficiency, a symbolic response on wellness, and a mixed response on home/community. A substantive response on administrative efficiency is argued to have occurred because it is characterized by high change in organizational activity (both in terms of expenses and high structural elaboration) in the face of modestly high institutional attention to the issue. Substantive organizational activity occurred with high TMA and high validation. In brief, relative expenses decreased in 16 of 17 RHAs over the sample period. This shows a relatively high rate of adoption by the population of RHAs.

A symbolic response on wellness is argued to have occurred as it was characterized by low change in organizational activity as approximately 80% of activity was low structural elaboration, and there was no relative change in expenses. Such organizational activity occurred despite the issue receiving the highest institutional attention. Low organizational activity occurred with modestly high TMA and high assertion. Relative expenses on wellness increased in 12 RHAs and decreased in five. That is, 30% of the RHA population acted in a manner contrary to coercive pressures, pointing to some resistance to wellness.

A mixed-response on home/community is argued to have occurred because it was characterized not only by a significant change in expenses and modestly high structural elaboration, but also by highest deletive structural elaboration among the three issues. This mixed response occurs in the face of low institutional attention, low TMA and high validation. At an overall level, relative expenses increased in 16 of 17 RHAs over the sample period, showing relatively high acceptance of this policy across RHAs in Alberta.

Together, these results paint a somewhat confusing picture that is not explained by analyses thus far. A few unexplained questions are: (1) why does the largest quantum of change occur in administrative efficiency despite it presenting the largest area of departure from previous practices among the three issues; (2) why does limited change occur on wellness despite it receiving the highest institutional attention, and in several instances, high TMA among the

three issues; and (3) why do both additive and deletive acts occur on home/community?

Based on the above evidence and questions arising from the results, this section presents three areas of elaboration. First, a major point of departure from Phase 1 and previous sections is an important role for issue criticality in affecting top managerial discourse and organizational activity to an issue, an aspect that was not developed in Phase 1. This is in addition to institutional attention. Repeated analysis of data lead me to develop a framework where issue criticality is determined by the comprehensibility of an issue, its speed of resolution, and its consistency within stakeholder expectations. Second, variance models are developed to summarize the relationship between constructs for each issue. These models describe how varying levels of institutional attention on issues and issue criticality affect top managerial discourse and organizational activity. Third, this section elaborates on top managerial rhetorics with specific reference to the use of accounts and framing strategies (Benford and Snow, 2000; Fiss and Zajac, 2006; Scott and Lyman, 1968) when top managers assert or justify issues.

Issue Criticality. Repeated analyses of top managerial and organizational discourse point to the influence of three factors that influence differing levels of criticality - comprehensibility, consistency, and speed of resolution.

The first factor that affects perceptions of issue criticality is comprehensibility of an issue. Stated simply, issues need to appear believable and actionable to be considered worthy of resolution (Dutton and Webster, 1988;

Suchman, 1995). Suchman (1995) defines these two dimensions as “plausibility” (does this issue appear credible?) and “predictability” (is this issue actionable and capable of resolution?). An issue that is plausible and predictable is likely to be comprehensible. A plausible alternative appears believable and worthy of top managerial support even if specifics are not available. This may be due to several reasons: it is embedded in a broader discourse or appears believable as it is a part of lived experiences of top managers (see Phillips et al. 2004: 644; Suchman, 1995: 582). Predictability implies a belief in top managers that the issue can be resolved or addressed through their actions (Dutton and Webster, 1988; Phillips et al. 2004: 644; Suchman, 1995: 583-584). The greater the comprehensibility, the greater is its issue criticality.

By consistency, I mean the degree to which the environmental context is aligned. The greater the fit between institutional expectations, constituent expectations and an organization’s past practices, the less there is of a contradiction. For example, if the government’s expectations are consistent with the community’s expectations and past practices of an organization, the environmental context will be conducive for substantive actions through high issue criticality. This factor is comparable with Oliver’s (1991) “content” and “constituent” predictors. The greater the consistency between institutional content and stakeholder expectations, the greater the issue criticality was.

Top managerial discourse also points to temporal aspects related to resolving issues. Issues needing resolution in the short term (or being urgent)

and/or seen as threatening are more likely to be attended to and acted upon than issues that could be resolved at a latter date. This factor affecting top managerial and organizational response has been defined as speed of resolution and is consistent with strategic issue diagnosis literature (Dutton and Jackson, 1987). The greater the speed of resolution, the greater is the criticality of an issue.

--- INSERT TABLES 5.10 AND 5.11 ABOUT HERE ---

To recap Phase 1 results, while institutional attention has been theorized to affect TMA, it has a weak effect on organizational activity. Both TMA and the type of top managerial rhetorics being used are found to affect organizational activity, with strong evidence of greater validation leading to greater activity and weak evidence of greater assertion leading to lower activity. Tables 5.10 and 5.11 summarize the results to facilitate between-case comparisons (Eisenhardt, 1989; Elsbach, 1994; Miles and Huberman, 1994) across the three issues and levels of analysis. This serves as the principal cue for further elaboration through an analysis of memos and additional text.

Repeated iterations between data and theory further reinforce my theoretical framework that focused on the role of attention and discourse. I also find that actors use a variety of framing strategies to provide meaning to their constituents (Arndt and Bigelow, 2000; Benford and Snow, 2000; Creed, Langstraat and Scully, 2002a; Creed, Scully and Austin, 2002b; Elsbach, 1999; Green, 2004; Hoffman and Ventresca, 1999; Scott and Lyman, 1968). By framing, I follow Creed et al.'s (2002b: 478) definition as the "active engagement

in the production and maintenance of meaning for constituents, antagonists and bystanders.” From this perspective, framing has both political (symbolic) and instrumental (substantive) purposes. Actors use various accounts (excuses, justifications) in order to rationalize their action and inaction on issues (Scott and Lyman, 1968). Central to the study of frames and accounts of actors is the view that the organizational activities are embedded in text (Oakes et al. 1998; Phillips et al. 2004) and actors play an active role in shaping messages and attending to them (Friedland and Alford, 1991; Seo and Creed, 2002; Suddaby and Greenwood, 2005).

Administrative Efficiency. As shown in Tables 5.10 and 5.11, the greatest amount of organizational activity occurs on administrative efficiency as this issue has the largest proportional change in expenses and greatest quantum of high structural elaboration. These changes occur in 16 of 17 RHAs, pointing to widespread adoption. For example, “RHAs reduced administrative staff levels and costs by 20% (in the period) July 1994-July 1995” (AHW Annual Report, 1995-1996: 6). Administrative efficiency received the highest TMA amongst all issues and modestly high Ministerial Attention and medium levels of AHW attention. Of notable interest, however, is that it received the highest quantum of justification among all issues.

--- INSERT FIGURE 5.3 ABOUT HERE ---

Administrative efficiency received high institutional attention, had high comprehensibility, was perceived to need quick resolution but had low

consistency (Figure 5.3). Based on my analyses, the figure theorizes the three mechanisms that led to a substantive response: (1) high institutional attention leads to high TMA, (2) a combination of high comprehensibility, high speed of resolution and low consistency with past practices leads to high justification, and (3) high TMA and high justification are associated with substantive organizational activities such as a significant increase in expenses and high structural elaboration. This two-way relationship between discourse and action is consistent with Pfeffer (1981) and Phillips et al. (2004). I specifically elaborate on the second and third mechanisms as they have not been developed thus far.

A surprising finding of this dissertation is high comprehensibility (Suchman, 1995) on administrative efficiency, as a business-like system with a strong emphasis on efficiency is a radical departure from past practices. As explained earlier, initial years saw immediate attention to institutional directives, specifically on administrative efficiency, which led to immediate job cuts and integration of facilities. AHW rationalized these changes by explaining “a health service that provides the best value is one that meets the health service needs of Albertans at the lowest cost per person.” AHW supported these reforms based on business-like principles by explaining how “per capita total spending on health in Alberta was higher than the Canadian average until 1994” (AHW Annual Report, 1995-1996: 13).

It appears that the AHW concerns on long-term financial sustainability of healthcare were plausible to top managers which led to high comprehensibility.

High plausibility was seen in several top managerial statements such as “more dollars is not the answer to a better health system” (RHA 7, Annual Report, 1995-1996: 2) and “the key to a good health system is not necessarily to spend more, but to allocate our resources wisely” (RHA 4, Annual Report, 1996-1997). The plausibility of business-like principles was also immediate: “It is with pride that I again announce a surplus budget” (RHA 14, Annual Report, 1996-97). Several statements point to these changes occurring across sectors to ensure the long-term sustainability of public services. In addition to being plausible, it had “predictability” (Suchman, 1995) as the reduction in administration costs were feasible in an institutional environment that was forcing its will to reduce administrative inefficiencies. Moreover, while it appeared less feasible to reduce healthcare services, the reduction of middle management and staff in line with new public management practices for greater efficiencies appeared actionable.

The high speed of resolution was essential considering the urgencies created by budget reductions and the threat of facing drastic consequences from AHW in case RHAs did not comply. As shown in Figure 5.1, the budget cuts left RHAs with no choice except to immediately attend to, and act upon, administrative efficiency. For example, the Business Plan of RHA 3 for 1994-1995 emphasized immediate actions with short deadlines to accomplish major structural changes for administrative efficiency. This implied the setting of firm dates and tangible outcomes for correspondence, meetings and final decisions (p. 1-4). AHW justified these reductions in costs to overcome deficits, an example

being as provincial spending risked having “exceeded \$5.1 billion in 1996-97 and would have grown to \$5.8 billion by 1999-2000”, the “funding to other areas such as education and environmental protection would have to be reduced in order to cover these costs” (Health Care 97: A Guide to Healthcare in Alberta, 1997-1998: 8). RHAs acknowledged “we can no longer afford to run the health system in the same way” and “status quo is not an option” (RHA 10, Business Plan, 1994-1995: 2). While RHAs complained of the “speed and depth of funding cuts and the scope of change” (RHA 4, 1995-1996: 12), they said the funding declines would necessitate “changes that cannot be implemented without reductions in staff” and planned for “staff reductions of approximately 6 per cent or 950 full time positions” (RHA 10, Business Plan, 1994-1995: 2).

However, a focus on administrative efficiency driven by business-like principles was problematic, considering it had low consistency with constituent expectations or past organizational practices despite pressures by the institutional authority (AHW). RHAs were at pains to explain how they “understand the scope and the sensitivity of the changes” (RHA 10, Business Plan, 1994-1995: 4). Simply put, moving away from a social model of healthcare to a business-like system represented a significant shift away from the past system. Also, the closure of facilities, integration of programs, staff layoffs, and a move away from a hospital system based on local community needs to a more centralized regional system represented a very radical departure from a previous system that was

mostly driven by healthcare needs as opposed to efficiency. Even the AG acknowledged the reforms were substantive and unprecedented.

While high comprehensibility and high speed of resolution would predict the validation of an issue, low consistency on this particular issue implied contradictions in the system, which therefore necessitated defiance (Oliver, 1991) or justification (Green, 2004). For example, Fiss and Zajac (2006: 1173-1174) explain how the radical departure from past practices is controversial and present a “justification problem” for the organization to its constituents – both internal (staff) and external (community). Hence, organizations need to frame their responses in a manner that appears worthy of support by their constituents and not mistake these justifications for excuses. Scott and Layman (1968: 51) carefully explain that “to justify an act is to assert its positive value” and accept responsibility for it. In contrast, excuses are accounts in which an actor “admits that the act in question is bad, wrong, or inappropriate but denies full responsibility” (Scott and Layman, 1968: 48). As explained earlier, administrative efficiency had cognitive legitimacy as it appeared comprehensible in the eyes of the top managers. Therefore the proposed response here will be justification and not an excuse.

Three framing strategies were broadly used by top managers of RHAs to justify the implementation of administrative efficiency: (1) they described how the new system had continuity with the previous system; (2) they framed it as having the support of staff and other constituents; and (3) they described how the

new system was being endorsed by legitimate actors and based on acceptable principles of organizing. These three strategies are a form of proactive impression management (Arndt and Bigelow, 2000) to gather support and legitimacy through discourse. It also points to the evangelical role of top managers (Weick cited in Pfeffer, 1981) who are required to rationalize activities to both internal and external constituents.

Quite often, top managers framed the new system as worthy of support as it offered continuity with the previous system. This is consistent with Aldrich and Fiol's (1994) findings on how new systems leading to the status quo are more likely to be understood and interpreted as meaningful by constituents. Examples of building this support include highlighting how success was attained "well within funding targets...and without reducing services to the public" (CEO, RHA 14, Annual Report, 1995-1996: 5), and continuing "to make appropriate changes to lessen the financial load without sacrificing quality of service." (Chair and CEO, RHA 14, Annual Report, 2001-2002). Some RHAs went as far as to suggest that the new system would enhance the strengths of the previous system, with reforms having "created a more integrated delivery of health services for the consumer, and a more sustainable one for the taxpayer" (Chair and CEO, RHA 1, Annual Report, 1996-1997: 4).

Another framing strategy for justifying the new system was through cooptation of the community and staffs in the planning process and asking for feedback after actions were taken. Examples include "union and management

agreed to achieve the targeted savings together without contracting out services" (Chair and CEO, RHA 3, Annual Report, 2002-2003), "(business) plan was amended in response to community input" (CEO, RHA 14, Annual Report 1995-1996: 5), restructuring "management and delivery mechanisms to put our health services on a more locally based and community responsive basis" (CEO, RHA 3, Annual Report, 1999-2000: 17), and "build(ing) on our partnerships with communities to find the best way of delivering care within our scarce resources" (Chair, RHA 1, Annual Reports, 2002-2003: 3). Random checks of business plans revealed similar sentiments being echoed, particularly in the early years of the reforms, an example in point being:

"People are no longer content with a health system that is uncoordinated; has overlaps and duplication; and is organized around buildings and hospitals rather than around meeting people's needs" (RHA 10, Business Plan, 1994-1995: 2).

On occasion, RHAs used the third framing strategy, which justified the new system as being worthy of support since it was endorsed by legitimate actors (AHW, government commissions such as Mazankowski and Romanov) and legitimate principles of organizing (medicine-based principles). "At the same time, the Mazankowski Report A Framework for Reform - a Report of the Premier's Advisory Council on Health, released in December 2001, made recommendations for change stating that "without changes, spending on health care is not sustainable" (Chair and CEO, RHA 14, Annual Report, 2001-2002). An example of supporting administrative efficiency by arguing how it offers continuity with the norms and values of the previous system is shown in the

following excerpt: "The choices we have made are in keeping with one of the longest-standing principles in medicine: doing the greatest good for the greatest number of people" (Chair and CEO, RHA 4, Annual Report, 1995-1996: 1).

Consistent with the punctuated equilibrium model of change (Romanelli & Tushman, 1994; Tushman and Romaneli, 1985), the uncertainty caused by radical change leads to intense and immediate activity, such as layoffs and immediate budget cuts. For example, the average expense on administration fell from \$19829.94 in 1995 to \$6786.47 in 1997, showing a huge immediate cut in administrative costs within two short years (see Table 5.6). The expenses on administration remained relatively stable until around 2000, after which it increased to \$10,041.71 in 2002. These changes occurred in a short and rapid burst as opposed to gradual change. Organizational activity on administrative efficiency was also shown in the annual reports of RHAs which reported high structural elaboration on issues. This was represented through layoffs, integration of facilities and closure of facilities/programs to avoid duplication. As shown in Table 5.6, an average RHA reported 8.64 separate acts of high structural elaboration in 1995, which was the maximum amount of high structural elaboration on any issue over the sample period. This is in contrast to 2.45 acts of high structural elaboration on wellness and 3.55 acts of high structural elaboration on home/community issues.

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Wellness. Wellness represents a case on how strong coercive pressures did not lead to a significant increase in expenses or high structural elaboration despite receiving modestly high TMA and a significant rise in TMA over the sample period (see Table 5.12). In fact, the relative expenses on wellness fell in five of 17 RHAs despite AHW pressures. Other interesting aspects include the highest assertion and the greatest amount of low structural elaboration among the three issues amounting to approximately 80% of activity. Table 5.12 summarizes significant changes in institutional attention and top managerial discourse over time. These results point to the increased importance of the issue to AHW although it did not lead to changes in expenses or high structural elaboration.

The lack of commitment to substantive actions, such as through changes in expenses or high structural elaboration, point to a symbolic response. The emphasis of a symbolic response is an “appearance of action without the substance” (Ashforth and Gibbs, 1990: 181-182). While a certain amount is to be expected, the differences in the type of structural elaboration on the three issues are quite staggering. As shown in Table 5.7, wellness is the only issue that has greater quantum of low structural elaboration (16.89) than high structural elaboration (4.06) in a given year ($Z = 0$; $p < .05$). Also, the quantum of low structural elaboration on wellness per year (16.89) is significantly different ($\chi^2 = 18.95$; $p < .001$) and higher than on administrative efficiency (6.21) and home/community (3.25). Similarly, wellness has the least change in expenses – both absolute and relative – among the three issues. Its average expenses

constituted 3.7% of total expenses in 1995 and modestly rose to 4.68% in 2002. This increase is not significant. While the average RHA expenses on wellness increased from \$4.88 million to \$6.88 million over the same period, average expenses on home/community increased from \$7 million in 1995 to \$17.5 million in 2002 (see Table 5.6). This relative inaction on wellness was excused by AHW as “the transition from the traditional illness orientation to a wellness orientation is difficult” (Annual Report, 2000-2001: 51).

It is also important to recognize that wellness was an important aim of the reforms. “The overall structure is now in place for real reform...we look forward to seeing new and innovative programming to promote, protect and enhance the health of our citizens” (Chair and CEO, Annual Report, RHA 10, 1995-1996: 3). Here the top managers recognize the “real reforms” as a social movement towards a model of wellness. Similarly, the Minister of Health argued: “Health is about more than treating illness. Adding Wellness to our name recognizes the importance to prevent illness” (Annual Report, 1999-2000: 9). The change in name to Alberta Health and Wellness only reiterated the centrality of wellness to reforms.

--- INSERT FIGURE 5.4 ABOUT HERE ---

Figure 5.4 summarizes the symbolic response to the issue of wellness. Although the issue got high institutional attention, it had low issue criticality due to moderate comprehensibility, low speed of resolution and moderately high consistency in the environmental content. This environment for top managerial

decision-making and organizational activity led to the following: (1) high institutional TMA led to modestly high TMA; (2) low issue criticality in times of high institutional attention led to high rhetorics of assertion; and (3) both of these led to great quantum of low structural elaboration and insignificant change in expenses. I will now develop the second and third mechanisms in more detail.

The primary argument is a combination of high institutional attention and low issue criticality leading to a symbolic response typified by high TMA, high assertion, low change in expenses and low structural elaboration. The issue had low criticality as it was not fully comprehensible and not perceived to need speedy resolution despite modestly high consistency in environment. This led to a gap between the “promised and performed” (Scott and Lyman, 1968: 46). For example, Ashforth and Gibbs (1990: 180) explain how the need to assert socially acceptable goals (e.g., wellness) might occur while pursuing less acceptable ones (e.g., dominant emphasis on curing illness). Top managerial discourse on wellness was mostly about managing a myth of wellness through repeated assertions and low structural elaboration with much planning and data collection, as opposed to substantive evidence on implementation.

Wellness had modest comprehensibility. First, top managers did not find AHW’s views on asking them to do more with less plausible. They explained how “the need to continue to invest in health promotion and prevention will also present an ongoing challenge” (Executive Summary, RHA 10, Annual Report, 1997-1998: 3). They felt it was unfeasible to shift “to a model that emphasizes

wellness, health promotion, and service delivery in community settings while accommodating budget reductions of more than \$ 4.2 million” (Chair and CEO, RHA 9, Annual Report, 1997-1998). They argued "if RHAs are to effectively move from an illness to a wellness model, government must accept the need for further resources at the health prevention and promotion level" (Chair and CEO, RHA 7, Annual Report, 1995-1996). Second, they were unsure of the “predictability” (Suchman, 1995) of their actions in resolving the issue as wellness is determined by other non-healthcare factors such as education, justice, income and individual choice. They spoke of the complex “inter-relationships between the health of an individual or community and the water supply, educational and economic variables and lifestyle choices” (CEO, RHA 5, Annual Report, 2000-2001: 5) and shared their anger: “We are frustrated that we cannot directly influence service delivery on reserve but are responsible for all health seeking behaviour off reserve” (RHA 17, Annual Report 1997-1998: 20).

Wellness also appeared to have low issue criticality as the speed of resolution did not appear urgent or threatening. Short-term resolution was felt unnecessary as wellness outcomes are hard to measure or quantify in the short term. For example, “it is generally accepted that population health strategies (or wellness strategies) take many years to provide demonstrable outcomes and proof of efficacy” (Executive Summary, RHA 16, Annual Report, 1996-1997: 3).

Another reason for low issue criticality was that it was not seen as a threat.

Consider for example the following excerpt: “Creating healthy environments is

an ongoing challenge – an opportunity for communities to work together to achieve a common goal” (Executive Summary, RHA 7, Annual Report, 1996-1997). While wellness was seen as an issue that needed resolution, this excerpt refers to it as an “opportunity.” Previous studies in the strategic issue diagnosis literature (Dutton and Jackson, 1987; Jackson and Dutton, 1988) have pointed to threats being attended to more quickly than opportunities. While administrative inefficiencies were seen as a threat due to funding cuts that impacted RHAs in the short term, wellness was seen as an opportunity to improve outcomes in the long term. “Promotion and prevention” was seen as an issue where “much remains to be done” and identified as one of the “key issues over the coming years” (Executive Summary, RHA 10, Annual Report, 1997-1998: 3).

There was moderate consistency on wellness as it was identified as a priority by both the institutional authority (AHW) and community (though community councils). Consider for example this excerpt: “We were mandated by Alberta Health to reduce costs of local health service delivery and to shift to a model that emphasizes wellness, health promotion, and service delivery in community settings” (CEO and Chair, RHA 9, Annual Report, 1997-1998). While wellness activities were not new to the healthcare system, they were not a dominant focus of the reforms. An excerpt illustrates this relative newness of wellness-principles of healthcare: “The land which we seek is a new world -- one in which there is health for all -- healthy individuals and healthy families living in healthy communities” (CEO and Chair RHA 12, Annual Report, 1996-1997).

An environment characterized by high institutional attention but low perceptions of issue criticality by subordinate organizations presents a predicament. On the one hand, subordinate organizations are expected to show conformity to institutional directives due to high institutional attention to wellness. On the other hand, they did not have the incentive to change since the issue was not perceived to be critical. They resolved this contradiction by showing TMA but not substantively changing organizational activities. Even when organizational activity occurred, it was more likely to manifest itself through low structural elaboration with lots of planning, information collection and consensus-building, thereby supporting Feldman and March's (1981) observations that organizations keep gathering information even when they do not use it.

Three framing strategies, existing across a continuum of most passive to least passive support, were commonly employed in top managerial and organizational discourse in order to assert values of wellness without committing resources or concrete actions. The first framing strategy was the most passive form of support and merely highlighted the values of wellness. This included several acknowledgements such as "resources directed to healthy environments is (the answer to a better health system)" (Chair, RHA 7, Annual Report, 1995-1996: 2) and direct pleas to "encourage governments to support RHAs in their push to health promotion" (Chair, RHA 7, Annual Report, 1995-1996: 2). Sometimes these assertions appeared to take the form of "excuses" (Scott and

Lyman, 1968) on why wellness was not being implemented as AHW needed to fund wellness if it wanted wellness.

The second framing strategy was asserting that while the wellness model was worthy of support, the onus of responsibility to make it happen was on other stakeholders. Examples include “encouraging you (consumers) to help us define what we (RHAs) need for healthy communities” (Chair and CEO, RHA 9, Annual Report, 1998-1999: 2); “help people (consumers) understand what makes them healthy” (Executive Summary, RHA 10, Annual Report, 1999-2000: 5); and “encourage you (consumers) to become involved in your health” (Chair and CEO, RHA 3, Annual Report, 1996-1997: 5). Placing this responsibility on consumers and other agencies was also echoed in several AHW reports, with an explicit recognition that the “determinants of health; they include, but go much beyond, health services” (AHW, Report on the Health of Albertans, 1996: 1). Stated simply, it appears that the various actors – AHW and RHAs – recognized and asserted values of wellness but did not want to be responsible for its implementation.

The third framing strategy was asserting the wellness model as worthy of support but shifting its resolution to a later time. Several RHAs asserted how they “must seek to balance ‘treatment services’ with services directed to promoting health and wellness for residents” (Chair, RHA 5, Annual Report, 2000-2001: 9) and explained how moving from “emphasis on treatment of symptoms alone” to “emphasis on determinants on health and well-being represented one of the most

serious challenges” (RHA 11, Business Plan 1997-1998 to 1999-2000: 6). The futuristic onus of their actions included several top managerial and organizational accounts such as RHAs “need(ing) to find the right balance between treating sickness and promoting good health” (Executive Summary, RHA, 10, Annual Report, 1999-2000: 5) and openly acknowledging that “among our many goals (are)...strengthening external partnerships that will help promote healthy communities” (Cover letter, RHA 9, Annual Report, 1999-2000).

With regard to organizational activity on wellness, the passage of time saw a statistically significant 300% increase in low structural elaboration ($\beta = 2.68$; $p < .01$) as compared with a 35% decrease in low structural elaboration on administrative efficiency. These trends point to a substantial increase in ceremonial activities on wellness. However, these did not occur on high structural elaboration where the passage of time saw a statistically insignificant increase in it. Simply stated, organizational activity on wellness appeared to be low in content and slow in effect. This was in contrast to administrative efficiency which saw intense and immediate activity. The trends on the limited adoption of wellness are somewhat consistent with institutional theory’s emphasis on gradual adoption (Tolbert and Zucker, 1983).

These displays of low structural elaboration were also affected by AHW’s requirements to report population health indicators with a lesser need to report what RHAs actually did on the various issues. Hence, much information presented in RHA annual reports required information collection on wellness

indicators (e.g., report number of low birth babies) without asking RHAs to report actions taken on pre-natal care. Often these indicators were “two or more years old” (AG, Annual Report, 1997-1998: 135). It was largely left to RHAs to decide whether they reported their actions to attain institutionally prescribed goals on wellness. A related point was raised by the AG who argued that “much more is produced about process than about the actual outputs and patient outcomes resulting from provider care and what health institutions do” (Annual Report, 1997-1998: 136).

To further investigate the low structural elaboration on wellness, I randomly analyzed business plans published by various RHAs. I specifically focused on urban RHAs – Calgary and the Capital RHA– as their average expenses on wellness fell from an average of 3.2% in 1995 to 1.8% in 2002. Consistent with the information in the annual reports, even the business plans reported the need to continue collecting information to understand population health indicators. Even when they discussed strategic planning for future organizational activity, the scope was generally broad and vague. To elaborate on the low structural elaboration and ceremonial response to wellness, I specifically share my findings from two such business plans.

RHA 10 (Business Plan, 1998-1999 – 2000-2001: 2-5) asserted “it is important that population health measures continue to be given a high priority in all discussions related to business planning and resource allocations”. They explained that the “eleven Community Health Councils in the region have

identified three priorities for service...health for young babies, children and adolescents; programs for seniors; and a healthy environment.” This quote points to community expectations of wellness and was occurring in times of high institutional attention. However, it appears this did not translate into a significant commitment of resources even though two of the three identified priorities were related to wellness. While references were made as to how “work will continue with school boards, social services, churches and the justice system to meaningfully influence the basic determinants of good population health” (p. 5), the business plan often lacked details. It continued to emphasize data collection, discussion and assessment with little focus on what needed to be done to implement wellness initiatives. Quotes from the strategy section of the plan include references to different activities to implement wellness: “continue to produce on a regular basis, a health status report for the Capital Health region”, “work with...in identifying priorities for improving dental health”, “develop detailed plans to address priority areas on injury prevention”, “update ‘Action for Health’ (health promotion) plans,” and “advocate for legislation which supports health promotion and illness and injury prevention” (p. 8-13).

These incongruities between discourse on wellness and actual actions continued in the business plans for later years. A cover letter of the Business Plan (2000-01 – 2002/03) signed by the Chair highlighted “promoting health” and “treating illness and injury” amongst its core businesses, and “Our Business Plan commits Capital Health to continue a focus on disease prevention and health

promotion” (Chair, RHA 10, 2000-2001, 2002-2003, p. 3). In the introduction of the document, they categorically clarify how they have “continued to increase acute care, continuing care and community care resources.” However, when wellness is discussed in a preceding paragraph, no mention on commitment of resources is made. The onus on moving towards a wellness model is vague and futuristic. For example: “Based on the Health Status Report Findings, work is underway to improve population health in the priority areas of injury control, heart disease/stroke, the aging population and nutrition” (p. 6).

To summarize organizational response to wellness, high institutional attention but low issue criticality is resolved with high TMA, high rhetorics of assertion and low structural elaboration. Low issue criticality on wellness seems to occur due to low comprehensibility and low speed of resolution. High TMA and a great deal of organizational discourse through low structural elaboration are used to mask insufficient substantive activity on the issue. Top managerial and organizational discourse becomes rife with discussions espousing values of wellness and how these values actually work (Meyer and Rowan, 1977) without such discourse seriously translating into substantive activity. Top managers use framing strategies such as asserting values without discussing actions being taken, asserting values but shifting responsibility for action to other stakeholders, or asserting values but shifting resolution to a future date. Much organizational activity revolves around collecting information, analyzing it and reporting it. However, the tangible or concrete commitment of resources remains limited.

--- INSERT TABLE 5.13 ABOUT HERE ---

Home/Community. Although home/community received low institutional attention in AHW documents and low TMA in RHA annual reports, there was high organizational activity. Sixteen of 17 RHAs significantly increased their expenses over time ($\beta = .002$, $p < .01$) with the second greatest quantum of high structural elaboration among the issues. In contradiction, this issue also had the greatest quantum of deletive structural elaboration. Institutional attention significantly differed across issues ($F = 5.618$; $p < .05$) with this issue receiving lowest Ministerial Attention (7%) compared with administrative efficiency (22.5%) and wellness (26.5%). AHW Attention on home/community significantly decreased over time ($F = 80.02$; $p < .05$). Home/community received the lowest TMA (5.94%) as compared with administrative efficiency (22.01%) and wellness (12.55%), and this difference in TMA is statistically significant ($F = 21.34$; $p < .01$). There were also statistically significant differences in top managerial rhetorics with home/community being the least asserted and most validated ($F = 7.17$; $p < .01$).

These trends on home/community (see Tables 5.9, 5.10 and 5.13), and the differences between it and the other two issues, present a rather confusing picture on how the issue was acted upon substantively despite limited attention. The only consistent predictor of action is the results of type of rhetorics used. These confusing results led me to additional data collection and analysis, specifically to four reports on long-term care published by AHW and its appointed committees.

This step follows the advice of experts (Gephart, 2004) who report that inconsistent results should serve as opportunities through a reanalysis of extant texts and additional data collection. During my data coding, I noticed several references to these separate institutional initiatives (Broda Report) while analyzing AHW and RHA documents. For example, the chairman of RHA 7 highlighted in the cover letter how they “continued to work with community groups to develop and open additional supportive housing for seniors, translating the vision outlined in the Broda Report into reality” (Annual Report, 2002-03: 4). I was familiar with some of these documents on long-term care initiatives as I had previously worked on a project related to this topic (Hinings et al. 2004).

The fundamental argument is that home/community was also receiving institutional attention and organizational attention, albeit in documents other than the annual reports and business plans. At least three influential initiatives – Long Term Care Review (or the Broda Report), Mazankowski Report and Romanov Commission – were commissioned by the provincial and federal governments with an important aim to address the need to deal with an aging population through alternative means of care. We had analyzed also other related documents in our earlier work (Hinings et al. 2005). Several RHAs mentioned these initiatives in their annual reports. For example, the CEO of RHA 15 shared how the “Continuing Care 10 Year Strategic Service Plan – Phase 1 was submitted in the third quarter and Phase 2 will be completed in the coming year” (Annual Report, 2000-2001: 5). There was a great deal of discourse on the issue, albeit in

additional communication channels. Possibly the issue was perceived to be complicated, so it needed resolution through focused attention via new channels.

Overall, the analysis of additional documents and insights from earlier work (Hinings et al. 2005) point to reasonably strong pressures by AHW (or institutional attention), and moderately high compliance by RHAs (or substantive organizational activity). There is also evidence of high issue criticality as the issue appeared comprehensible, needed quite immediate resolution and the environmental content was modestly consistent. While the need to move towards care in home/community settings was being supported and acted upon, there were also needs for better infrastructure in institutionalized long-term care settings. Thus, deletive structural elaboration on home/community occurred in addition to additive activities. For example, RHA 4 highlighted both additive and deletive activities in the same letter: “we hired additional Home Care staff” and activities on the “40-bed Continuing Care annex due for completion in 2003” (Chair and CEO, Annual Report, 2001-2002).

Notable among the institutional initiatives on home/community was the Broda Report. In 1997 Health Minister Halvar Jonson called for a review of long-term care in Alberta to come up with recommendations for addressing short-term pressure points and identifying strategies to address the “impact of an aging population on Alberta’s health system” (Fact Sheet, Long Term Care Review, 1999: 1). This review committee was chaired by David Broda, an MLA representing Redwater, and thus the findings came to be known as the Broda

Report. This report was submitted in November 1999 and categorically backed long-term care initiatives to be delivered in home/community settings instead of hospital settings. This was seen as necessary due to an aging population and “staying independent and in their own homes is the first choice for a majority of Albertans” (p. 25).

The Broda Report identified a vision for aging in which Albertans were treated with respect, had information to make responsible choices and could “achieve quality living, supported by relatives, friends and community networks, and by responsive services and settings” (Broda Report, 1999: 13). The report was published after extensive consultation with healthcare providers and the committee, and identified that “home will be the first choice (for long term care)”, “home care services will be expanded dramatically” and “supportive housing will expand” (Final Report, Long Term Care Review, 1999: 17). In 2000 the Broda Report was followed by a survey of health professionals and a series of meetings with the community to get feedback which led to the “Stakeholder Response to the Final Report of the Long Term Care Policy Advisory Committee” report. It is important to note that 81% of returned responses supported the scenario that recommended “a shift in the future system from fewer institutional beds to more home and supportive living arrangements” (p. 11). It appears that home/community care received high support from AHW, health professionals and the community.

To reinforce its support for the Broda Report, AHW, in its document titled “Continuing Care Strategic Service Plan: Phase I Expectations” (AHW, 2000), asked the RHAs to come up with a preliminary plan strategizing how they intended to address the future needs of an aging population within the given budgetary constraints. This preliminary plan (Phase I) was to be submitted by the RHAs to AHW by November 30, 2000, to be followed by a Phase II Plan after the first plan was evaluated and approved by AHW. In some prior work on home/community in Alberta, we had (Hinings et al. 2005) identified how the institutional effect on organizational planning by RHAs was quite strong despite contingent differences – understood as task and organizational environments – between the RHAs.

--- INSERT FIGURE 5.5 ABOUT HERE ---

Figure 5.5 represents how organizational activity occurs on home/community. While the issue got low institutional attention in the principal institutional documents, it was perceived to have high issue criticality due to high comprehensibility, high speed of resolution and moderate consistency with past practices. This environment for top managerial decision-making led to the following: (1) low institutional attention in principal AHW documents led to low TMA in annual reports; (2) high issue criticality in times of high public support for a new model despite low consistency with past practices led to greater rhetorics without justification; (3) greater without justification was associated with a significant change in expenses and relatively high structural elaboration;

and (4) low consistency with past practices sometimes led to deleterious structural elaboration. I focus only on the second and fourth mechanisms since they have not been developed for any issue.

The issue of home/community had high comprehensibility (Suchman, 1995). This appeared to happen because AHW's philosophy of an aging population needing fundamental shifts towards alternative forms of health delivery had "plausibility" (Suchman, 1995). An aging population was a part of lived experiences of the various constituents and the message was embedded in the broader discourse of society in general. Another important aspect was the government was careful not to dismiss the old model of care in institutional settings as completely irrelevant. The Broda Report recommended that not only should home/community initiatives be increased, but additional funding should be provided to meet short-term needs in facility-based (or hospital) settings. AHW's views on enhancing home/community care were reinforced by clients and health professionals. The chairman of RHA 14 explained how "an increasing number of residents are choosing to maintain their independence at home, even as their healthcare needs increase" (Annual Report, 1997-1998: 2). Similarly, the "Stakeholder Response to the Final Report of the Long Term Care Policy Advisory Committee" (2000) highlighted that 97% respondents addressed future scenarios related to long-term care as an "important" goal.

Top managers explained how they faced "some very real challenges in maintaining quality services for a population that continues to age and grow"

(Chair, RHA 9, Annual Report, 1999-2000). Comprehensibility through “plausibility” of the issue was further reinforced through “predictability” or feasibility (see Suchman, 1995: 583-584). Not only did RHAs recognize that the issue needed resolution, they believed it could be resolved through their actions. The budget cuts, coupled with a rising population of seniors, implied RHAs were required to do more with less as healthcare expenses are generally higher for elderly people. As RHAs determined the allocation of resources on issues, and long-term care was a large source of expenses, the cost-effective reallocation of funds was considered feasible.

The speed of resolution was perceived to be high due to short-term urgencies and the threat of long-term financial sustainability due to funding cuts and an aging population. Top managers explained the stress being faced was due to “the effect of population growth and aging combined with the effect of inflationary increases” in times of budget cuts and argued it was creating strain and leading to deficits (Chair and CEO, RHA 4, Annual Report, 1997-1998: 1). An analysis of additional AHW documents further substantiated support of the public and health professionals for immediate resolution of this issue, as 90% of respondents identified the issue of addressing new long-term options as “urgent” (Stakeholder Response to the Final Report of the Long Term Care Policy Advisory Committee, 2000: 4). This implied the issue needed to be addressed in the short term.

Finally, the environmental content had moderately high consistency. This is because both AHW and the community were in favour of it, and home/community care was not an entirely new concept. The analysis of several documents repeatedly pointed to the growing public expectations that health services should be provided in home or community settings as seniors did not want to be admitted in hospitals as that often involved being transferred to a different town/city where long-term continuing care beds were available. A similar point was raised in the Broda Report: “The status quo is not an option – most importantly, because it will not meet the needs of a new generation of aging Albertans” (p. 12).

Prior to analyzing the additional documents published by AHW (e.g., Broda Report), I was a bit puzzled by the somewhat contradictory evidence that RHAs were engaging in both additive and deletive types of activities on the home/community issue. However, the analysis of the Broda Report and its related documents, coupled with a random reanalysis of deletive structural elaboration in RHA annual reports and business plans, makes me recognize that those results need to be interpreted cautiously. While the shift towards home/community should have implied less emphasis and reductions in long-term care beds in institutionalized settings (on a per capita level), on occasion it was necessary to reinforce institutionalized settings. This conciliatory stance by AHW, taken as a rapid shift towards home/community care, was unfeasible. Also, prior research points to the need of maintaining continuity with the past even in times of change

(Aldrich and Fiol, 1994). While the Broda Report was emphatic in its recommendations for a “fundamentally new and different approach to continuing care in the future” (p. 12), it recognized the need to address short-term pressures by adding “600 new beds by 2003” in institutionalized settings (p. 19). A similar picture emerged when 72% of stakeholders rated the need to “revitalize long term care centre(s)” as very important, and 83% ranked the need to “address immediate needs” as “very urgent.” This was in contrast to 63% of respondents believing that the need to “expand home care and community services” was very urgent (Stakeholder Response to the Final Report of the Long Term Care Policy Advisory Committee, 2000: 7-8). That being said, the emphasis of AHW and the Broda Report on moving towards a model of long-term care in home/community was categorical.

In addition to the poor state of some facility-based long-term care centres, a major factor that led to deleterious structural elaboration was the differing contingent needs of various RHAs. By this I mean the demographic profile and geographical factors were different, as some rural RHAs in northern Alberta had relatively younger populations as compared with urban RHAs. Therefore, the perceived importance of the issue should have varied depending upon the task environment (or contingent) needs of RHAs (Bourgeois III; Donaldson, 2001). Also, in a few isolated communities in the north, facility-based long-term care based in some centralized locations might have been more cost-effective than home-care delivery. For example, Calgary RHA served a population of 987,000

in an area of 5,235 square kilometers and provided a wide range of services from basic primary healthcare to tertiary level hospital care, with nearly 4% of its population over 75. Northwestern RHA served a population of 20,769 scattered over 116,000 square kilometers (the size of Ohio), and had no hospital of any scale, with slightly over 1% of its population over 75 (Hinings et al. 2005). Hence the two RHAs had differing contingent needs.

RHA framed and rationalized such deletive activities, or on occasion a lack of compliance, in the form of “excuses” (Arndt and Bigelow, 2000; Scott and Lyman, 1968). Arndt and Bigelow (2000: 504) define excuses as accounts that “avoid responsibility for negative outcomes”. RHAs argued that a “shift from institutional to community and home based services has not occurred” (RHA 16, Annual Report, 1996-1997) due to “the exceptional growth in the region and the resulting need for institutional services has prevented a shift of funds away from institutional to home and community based services” (p. 22). In an earlier report they explained how “approximately, 1.4% of the region’s population is over 65 years of age as compared to 9% of the population in Alberta being over the age of 65...this correlates with the reduced number of residents receiving institutional based care” (Annual Report, 1995-1996: 33). Excuses were generally given in terms of contingent differences and demographics: “Northern Lights Region has a young population compared to the province and as a result requires less home care” (RHA 14, Annual Report, 2001-2002: 20); and “recruiting challenges have prevented the provision of home care services to the community of Conklin

during 2001/02... limited home care services are provided to this community by Public Health Nurses who visit the community one day per week” (RHA 14, Annual Report, 2001-2002: 41).

To summarize how home/community was addressed, AHW adopted a focused strategy in communication channels other than its annual reports and business plans. A government commission appointed under the chairmanship of Mr. Broda conducted a fairly detailed analysis of future long-term care needs and consulted with stakeholders to determine priorities. An aging population and budget cuts made the top managers immediately support long-term care issues. This support occurred for several reasons, the principal ones being it was supported by clients and health staff, the issue was comprehensible in light of an aging population, and the issue needed immediate resolution due to major budget cuts. Despite substantive activity, non-compliance and investments into long-term care facilities also occurred; in other words, deletive structural elaboration occurred. In part, these deletive activities were rationalized as occurring due to contingent differences between RHAs, and because some long-term facilities were old and needed replacement.

Summary

This chapter describes the results of Phase 2. I continue to find that TMA and top managerial rhetorics are good predictors of organizational activity. An overview on the state of healthcare over the sample period points to three periods characterized by differing top managerial and organizational responses to a

business-like healthcare system. A review by the AG of Alberta's annual reports further support elements of symbolic actions and non-compliance by RHAs to AHW directives. Next, a review of top managerial statements in the press modestly support findings of TMA in Phase 1 with regard to the comprehensiveness of issues identified and offer new evidence on how factors such as patient and staff activism lead to lower top managerial support, and on occasion, non-compliance to institutional directives. A study of structural elaboration in annual reports finds it pretty consistent with expenses and elaborates how extent of structural elaboration is a good indicator of type of organizational response. The chapter also establishes a role for issue criticality and relates it to TMA, top managerial rhetorics and organizational activity. It describes how the three issues – administrative efficiency, wellness, and home/community – were attended to and acted upon in different ways. Administrative efficiency received a substantive response, wellness a symbolic response and home/community a mixed response. Overall, these results point to a role for top managerial discretion even in the face of institutional pressures of a coercive nature and help to further specify differences between symbolic and substantive responses.

Table 5.1: Top Managerial Response to a Business-Like System

Period	Strategic Response	Salient Stakeholder	Cause of Response*	Consequence*
1994-1996	Resignation Or Support	AHW	<ul style="list-style-type: none"> ▪ Top managers of RHAs recognize that previous model of healthcare was not sustainable in the long-term and find reforms plausible (comprehensibility) ▪ Strong coercive pressures from AHW (taken-for-granted power of the institutional authority) 	High cognitive legitimacy of reforms lead to unquestioned adoption in the early years by 14 of 17 RHAs
1997-1999	Resistance	Community	<ul style="list-style-type: none"> ▪ Patient satisfaction reaches a new low. RHAs are concerned that the reforms have led to poor operational performance and staff discontent (consequences) ▪ Physician discontent rises. They question the suitability of a medical model being replaced by a business model of healthcare (illegitimate values and structure) 	Low moral legitimacy of reforms lead to discontent and greater attention to community with 11 of 17 RHAs resisting reforms
2000-2002	Conciliatory Stance	Staff/Physicians	<ul style="list-style-type: none"> ▪ Cooptation of physicians into decision-making at governance level, and increases in staffing numbers across RHAs reduces staff discontent (exchange) ▪ Funding increases reduce top managerial discontent (exchange) ▪ Top managers recognize that ceremonial compliance is often sufficient to satisfy AHW (procedural compliance) 	Improved pragmatic legitimacy of reforms leads to moderate compliance and a conciliatory stance by 13 of 17 RHAs

* Relate to Suchman (1995)

**Table 5.2: Auditors General of Alberta's Observation on Areas of
Insufficient Implementation of Business Like Principles**

Year	Main themes and representative quotes
1995	<p>Accountability. "There needs to be accountability information for quality, appropriateness of services, and cost and effects of services" (p. 118)</p> <p>"Health programs need to be defined (by AHW) in a manner that supports the measurement of performance (of RHAs)." (p. 123)</p> <p>Isomorphism. "My staff also noted that health authority staff are experiencing difficulties in classifying expenditures on a basis which can be compared among regions. This matter has not yet been resolved." (p. 127)</p>
1996	<p>Accountability. "...much remains to be done to implement accountability" (p. 118)</p> <p>"My concern rises from analyzing fourteen management letters (audit objections raised for 14 RHAs) issued by external auditors to health authorities in 1996 (p. 124)</p> <p>"My auditor's report (on AHW) contained a reservation of opinion." (p. 146)</p> <p>"17% (700/4200) of practitioners (physicians) were flagged at least once for a claim abnormality in 1996." (p. 149)</p> <p>Compliance. "The Department of Health provided thirty performance indicators to health authorities for use in their annual reports... Two of seventeen did not include any of the indicators. Twelve reported on some, but not all of the indicators, whereas three used all of them." (p. 149)</p> <p>"Approximately (only) half of the annual reports discussed future directions. Only a few of them relate future direction to the three-year business plan (p. 150)</p>
1997	<p>Accountability. "Health authorities are not required to spend money in the same proportions as the funds are allocated for them for each of the major services areas (e.g. information technology, home/community) in the funding model." (p. 125)</p> <p>"My audit's report (on AHW) contained an adverse opinion... The opinion was given since the financial position and results of operations of health authorities were not consolidated in the Ministry of Health financial statements... Consolidation (of RHA expenses in AHW expenses) would increase reported ministry assets by \$2.7 billion and increase liabilities by \$2.3 billion" (p. 151)</p>

Compliance. “Current business plans and budgets of 13 health authorities were not finalized and approved by the Minister of Health as of August 1998 even though almost half of the business year is over.” (p. 122)

“It is noted that eight RHAs, with estimated combined expenses of approximately \$300 million, had not submitted MIS information...”(p. 126)

Isomorphism. “Initial plans submitted by health authorities to the Department of Health vary considerably in structure and details of what will be done...” (p. 144)

1998 **Accountability.** “...the 1998-99 business plans of 13 health authorities were not finalized and approved by the Minister of Health until late in 1998 when more than half of the business year was over.” (p. 182)

Compliance. “...there was no agreement (between AHW and RHAs) about the definition of a balanced budget at the time when ten health authorities were budgeting operating budget deficits for 1998-99...” (p. 184).

“...A proposal to set financial reserve targets was not accepted by (RHAs).” (p. 190)

“Eleven of thirteen annual reports by health authorities for 1997-98 included reporting on board governance...Two annual reports did not comment on board governance, while five annual reports were issued late.” (p. 217).

Isomorphism. “As of March 1998, this ratio (on acute care beds) varied from less than 1 to 2.9 beds per 1,000 population of each of the 17 regions. The difficulty comes in trying to understand the...three-fold difference.” (p. 195)

“Based on data provided by the Department of Health, Chart 1 shows that regions varied from about 24 to 73 long-term care beds per 1000 over age 65.” (p. 196)

“...occupancy rate for acute care beds ranged from 22% to 89%”(p. 199)

1999 **Accountability.** “In conclusion, absence of information and clear and effective accountability relationships among stakeholders increases the risk that desired directions and results for the health system will not be achieved and full accountability rendered for approximately \$1.2 billion of costs associated with physician payments and prescription drugs.” (p. 130)

“Business planning may be little more than a paper exercise or a device to negotiate more money rather than an effective system of accountability.” (p. 133)

Compliance. “Our review of the latest available annual reports for 1998-99 indicates not much change from the prior years in reporting outputs and outcomes. In some instances, certain significant

measurements were dropped by RHAs from 1998-99 reporting that were previously reported in 1997-98. (p. 135).

Isomorphism. “We again recommend that the Department of Health and Wellness examine regional differences in the utilization and cost of health services with a view to improving the system for allocating fund to health authorities.” (p. 144)

2000

Accountability. “Part of the issue (poor budgetary control of AHW) is that after being advised of funding allocations, health authorities continue to submit budget plans showing they will expense more than planned revenues with resulting deficits that the Minister must then negotiate. The system is not used as intended because parties cannot agree on funding levels.” (p. 112)

“In conclusion, little progress is being made in measuring and reporting performance. The risk remains that sufficient information is not available to know what is happening to the quality and cost of health services. More money is being spent – but to what end?” (p. 114)

“Significant reservations in my audit opinions on financial statements...I again issued an adverse audit opinion on the Ministry financial statements. The significant effects of non-consolidation of health authorities led to my opinion...” (p. 128)

Compliance. “Meanwhile, the pattern of prior years continues and deadlines for completion of health authority business plans have not yet been met. Health authority business plans were not approved for 2000-2001 until more than half the fiscal year was over. Health authority business plans for 2001-2002 are yet to be submitted to the Minister and approved as of July 2001.” (p. 110).

Isomorphism. “We note that five health authorities report having set aside no amount of net assets (equity) to replace equipment. Others have restricted amounts ranging from 3% to 60% of existing equipment cost.” (p. 115)

“Numerous differences occur exist in individual case costs as well...For example, during 1999-2000 angioplasties cost \$8,893 each for 1,551 procedures in one RHA compared to \$10,535 each for 1,551 procedures in the other. Further, neonatology is indicated to cost 41% more per case in one RHA compared to the other.” (p. 118)

2001

Accountability. “Our auditor’s opinion on the financial statements of the Ministry and the Department contained significant reservations of opinion. The critical issue continues to be the non consolidation of Authorities in Ministry results.” (p. 125)

“We again issued an adverse auditor’s opinion (on financial statements)” (p. 137)

Compliance. “Approved business plans of Authorities were not in place until the 2001-2002 year was almost over...15 Authorities incurred operating deficits for 2001-2002 accumulating to \$35 million.” (p. 128)

“Most Authorities plan operating deficits” (p. 128)

2002 **Accountability.** “Our auditor’s opinion on the financial statements of the Ministry and the Department contained significant reservations of opinion. The critical issue continues to be the non consolidation of Authorities in Ministry results.” (p. 147)

“The Minister will no longer approve business plans of Authorities” (p. 151)

“Draft performance agreements (for RHAs) were not signed.” (p. 152)

“We again issued an adverse auditor’s opinion (on financial statements)” (p. 158)

Compliance. “Conditional grants received by an Authority cannot be used at the discretion of its Board (even though they currently are being used).” (p. 152)

“...the information referred to in Schedule A to the draft performance agreements was not submitted to the Department by four of the nine Authorities.” (p. 152)

**Table 5.3: Auditor General of Alberta's Observation of Causes of
Insufficient Implementation of Business-like Principles**

Year	Main themes and representative quotes
1995	<p>Complexity. "...health restructuring has provided the management of health authorities with extraordinary challenges that must be tackled. The environment of complex service delivery and restructuring tests the very best of managers" (p. 119)</p> <p>"Management (RHAs) could not draw on the experiences of other jurisdictions since none had attempted a comparable restructuring within a similar time frame (p. 139)</p> <p>RHAs lack control over physicians. "If health authorities are to be held accountable for the cost and effects of health services...it is also reasonable to assume that they should be able to influence how physician services are delivered in the area." (p. 133)</p>
1996	<p>Complexity. "Many organizations make up the structure of the Alberta health system. In addition to the Department of Health, there are seventeen regional health authorities and two Provincial health boards. There are at least ten professional associations representing care givers such as physicians, nurses, pharmacists... and optometrists. There are more than forty councils, foundations, advisory and appeal boards. Operating within this diverse structure are many committees and task forces. (p. 117)</p> <p>Difficult to measure outcomes. "My staff wanted to see if it was possible to directly measure the risk and impacts of non-compliance (of drug costs) in Alberta. They could not...A dollar value is not easily obtained to measure" (p. 140)</p>
1997	<p>Complexity. "Central to an effective plan for wellnet is consistency with the needs and capabilities of health authorities. I am concerned that the authorities may not have the capacity to absorb the substantial change required by wellnet...While health authorities see the merit of wellnet, they are not currently equipped to support it for several reasons: immediate needs, system integration issues, and a lack of funds and skills. If wellnet initiatives are not in line with authorities' capacities, about \$1 billion could be spent building a network that is not used..." (p. 141)</p> <p>RHAs lack incentives to comply. "The "no-loss provision" adjustment (budget increases for all RHAs and no budget cuts regardless of RHA performance) was used to shelter certain health authorities which otherwise would have suffered a funding decrease under the formula...The "no-loss" provision also reduces the incentive..." (p. 128)</p>

- 1998** *Complexity.* “The scope and complexity of the health system poses the challenge of coordinating many stakeholders in the achievement of common goals and improvement of the health system.”(p. 180)
- Lack of clarity.* “Too many (performance) measures create confusion and there is a need to sort out what is most relevant.” (p. 187)
- “Again, whether 24 (beds per 1000 population) is too little, 73 too many, or an average of 48 is about right cannot be gauged because agreed benchmarks are not established on a Provincial or regional basis.” (p. 196).
- 1999** *Complexity.* “Recommendations deal with complex matters requiring sustained leadership to overcome resistance to change. Stakeholders must be engaged and competing self-interests reconciled. There can be organizational changes including mergers and staff turnovers that may disrupt or delay progress.” (p. 123)
- Contingencies differ.* “There may be several reasons (in service costs and utilization) for differences (between urban and non-urban RHAs) including people in urban regions making greater use of services outside of a hospital or other RHA facility. People in rural regions may commonly go to a hospital for care because they do not have a family doctor.” (146)
- RHAs lack control over physicians.* “What health physicians do in treating patients drives much of the health system costs that health authorities are expected to manage within budget. Changes made by health authorities in the way services are delivered can impact physicians and physician budget. Bringing the two together is a significant challenge since physicians and health authorities may have different agendas, values and behaviors.” (p. 127)
- RHAs lack incentives to comply.* “Between January 1998 and May 2000, more than 25 additional funding decisions were announced that affected health system operations... While subsequent additional funding may provide relief from immediate budget pressures, it is not conducive to good budget management since repetition may create the expectation of continuing amounts...” (p. 132)
- 2000** *Complexity.* “(Physician billings are) A complex, high volume system.” (p. 119)
- Lack of clarity.* “For 2001-2002, health authorities received additional funding amounting to \$161 million for capital equipment. Although the funding was for the same purpose, it was distributed in two different ways. About \$88 million was provided by the Department to health authorities on an unrestricted basis. About \$73 million was provided on a restricted basis...” (p. 115)
- RHAs lack incentives to comply.* “While various reports are published showing trends in services, information is not produced that compares budgeted (targeted) activity and funds with actual services and costs.” (p. 117)

2001 *Lack of clarity.* “To March 2002, significant changes were not yet made (by AHW) to business planning and reporting requirements (for RHAs).” (p. 132)

RHAs lack incentives to comply. “We recommend the Department of Health and Wellness improve its corporate control processes for ensuring accountability of restricted funding (as areas of RHA expenses are not enforced).” (p. 134)

2002 *Lack of clarity.* “Conditional grants are not separately identifiable from unconditional grants within the Department’s accounting system.” (p. 153)

“The mandate (of Province Wide Services Working Group) is stated in general, non-actionable terms... (hence) clarity of the mandate is required.” (p. 155)

Table 5.4: Issues Receiving TMA in Newspapers (By Frequency)

Issue	Frequency
Administrative efficiency	15
Alternative therapies	1
Ban on cell-phones in hospitals	1
Collaboration between provinces/regions	2
Diagnostics	3
Emergency	4
Ethics	1
Geriatrics	2
Health tax on corporations	1
Home/community	7
Increased funding	4
Palliative care	2
Patient satisfaction	24
Privatization	4
Quality	12
Research	1
Response to AHW	3
Staff	38
Technology	11
<i>Total (19 issues)</i>	<i>136</i>

Table 5.5: Structural Elaboration on Issues as Represented by Number of Discrete Actions Reported in RHA Annual Reports

Panel A: Quantum Activity by Year - Overall

	Adm. Efficiency		Wellness		Home/ Community		Total
	Additive	Deletive	Additive	Deletive	Additive	Deletive	
1995	161	3	106	0	73	15	358
1996	127	1	107	0	52	19	306
1997	110	1	172	0	63	21	367
1998	142	3	234	2	74	24	479
1999	167	6	338	1	70	25	607
2000	92	5	271	0	86	31	485
2001	101	4	326	0	74	16	521
2002	75	3	291	4	86	10	469
<i>Overall</i>	<i>975</i>	<i>26</i>	<i>1845</i>	<i>7</i>	<i>578</i>	<i>161</i>	<i>3592</i>

Panel B: Average Activity by Year -Overall

	Adm. Efficiency		Wellness		Home/ Community	
	Additive	Deletive	Additive	Deletive	Additive	Deletive
1995	14.64	0.273	9.64	0	6.64	1.36
1996	11.55	0.091	9.73	0	4.73	1.73
1997	10	0.091	15.6	0	5.73	1.91
1998	12.91	0.273	21.3	0.182	6.73	2.18
1999	15.18	0.545	30.7	0.091	6.36	2.27
2000	8.364	0.455	24.6	0	7.82	2.82
2001	9.182	0.364	29.6	0	6.73	1.45
2002	6.818	0.273	26.5	0.364	7.82	0.91
<i>Overall</i>	<i>11.08</i>	<i>0.295</i>	<i>21</i>	<i>0.08</i>	<i>6.57</i>	<i>1.83</i>

Table 5.6: Quantum of Additive Structural Elaboration

Panel A: Quantum of Low Structural Elaboration

	Adm. Efficiency		Wellness		Home/ Community	
	Total	Average	Total	Average	Total	Average
1995	66	6	79	7.18	30	2.73
1996	57	5.18	77	7	30	2.73
1997	58	5.27	133	12.1	31	2.82
1998	84	7.64	179	16.3	39	3.55
1999	101	9.18	278	25.3	33	3
2000	71	6.45	227	20.6	46	4.18
2001	64	5.82	264	24	41	3.73
2002	45	4.09	249	22.6	36	3.27
<i>Overall</i>	<i>546</i>	<i>6.21</i>	<i>1486</i>	<i>16.89</i>	<i>286</i>	<i>3.25</i>

Panel B: Quantum of High Structural Elaboration

	Adm. Efficiency		Wellness		Home/ Community	
	Total	Average	Total	Average	Total	Average
1995	95	8.64	27	2.45	39	3.55
1996	70	6.36	30	2.73	33	3
1997	52	4.73	39	3.55	43	3.91
1998	58	5.27	55	5	53	4.82
1999	66	6	60	5.45	73	6.64
2000	21	1.91	44	4	54	4.91
2001	37	3.36	62	5.64	63	5.73
2002	30	2.73	42	3.82	52	4.73
<i>Overall</i>	<i>429</i>	<i>4.88</i>	<i>359</i>	<i>4.08</i>	<i>410</i>	<i>4.66</i>

Table 5.7: Difference in Mean Organizational Activity on Issues

Panel A: Additive Structural Elaboration across Issues (Kruskal-Wallis)

	Adm. Efficiency	Wellness	Home/ Community	χ^2	P value
Low	6.21	16.89	3.25	18.95	0.000***
High	4.88	4.06	4.66	.74	.692

Panel B: Additive Structural Elaboration within Issues (Mann-Whitney U Test)

	Low (Quantum 1+2+3)	High (Quantum 4)	Z	P value (2 tail)
Adm. Efficiency	6.21	4.88	20	.207
Wellness	16.89	4.06	0	0.035**
Home/Community	3.25	4.66	31.5	0.000***

Panel C: Deletive Structural Elaboration across Issues (Kruskal-Wallis)

	Adm. Efficiency	Wellness	Home/ Community	χ^2	P value
Deletive	0.296	0.08	1.83	18.353	0.000***

Panel D: Percentage of cumulative change in expenses on issues

	Adm. Efficiency	Wellness	Home/Community
1995 to 1996	25.189%	4.865%	12.109%
1995 to 1997	38.920%	18.378%	20.703%
1995 to 1998	43.277%	22.703%	25.000%
1995 to 1999	42.708%	21.081%	26.953%
1995 to 2000	45.644%	21.081%	28.320%
1995 to 2001	46.780%	24.054%	33.789%
1995 to 2002	47.159%	26.486%	42.578%

Panel E: Change in expenses across issues (ANOVA)

	Obs.	Adm. Efficiency	Wellness	Home/ Community	F Stat	P Value
Change in expenses	6	44.081%	22.298%	29.557%	28.956	0.000***

Table 5.8: Difference in Mean Institutional Attention to Issues*

	Adm. Efficiency	Wellness	Home/ Community	F Stat	P Value
Minister's Message	22.5%	26.45%	6.988%	5.618	0.011**
AHW (Index)	21.89%	52.688%	2.638%	80.015	0.000***

* ANOVA assuming unequal variance was used

Table 5.9: Difference of Mean TMA and Top Managerial Rhetorics

Panel A: Proportionate TMA across issues (ANOVA)

	Adm. Efficiency	Wellness	Home/ Community	F-Stat	P Value
Proportionate TMA	22.01%	12.55%	5.94%	21.34	0.000***

Panel B: Emphasis of Top managerial rhetorics across issues (ANOVA)

	Adm. Efficiency	Wellness	Home/ Community	F Stat	P Value
Assertion	26.778%	46.702%	24.870%	7.169	0.004***
Justification	29.65%	7.68%	17.544%	8.669	0.002***
Without Justification	43.58%	44.72%	57.586%	2.793	0.084*
Validation	73.23%	52.40%	75.13%	7.17	0.004***

**Table 5.10: Comparative Trends on Institutional Attention, TMA Rhetorics
and Organizational Activity**

	Adm. Efficiency	Wellness	Home/Community
Minister's Message	High/Medium	High	Low
AHW (Index)	Medium	High	Low
TMA	High	Medium	Low
Assertion	Medium/Low	High	Medium/Low
Validation	High	Medium/Low	High
Justification	High	Low	Medium
Without Justification	Medium	Medium	High
Low structural elaboration	Medium/Low	High	Low
High structural elaboration	Medium	Medium	Medium
Change in expenses	High	Low	High
Deletive structural elaboration	Medium/Low	Low	High

Table 5.11: Summary of Change in Institutional Attention, TMA and Organizational Activity on Administrative Efficiency

	1995	2002	Coefficient
Minister's Message	42.9%	15.2%	-0.03* (0.065)
Index	38.3%	24.8%	-0.007 (0.630)
TMA	35.7%	18.2%	-0.034*** (0.000)
Assertion	25.90%	13.43%	-0.008 (0.520)
Justification	39.57%	22.2%	-0.018 (0.167)
Without Justification	34.53%	59.25%	0.026* (0.059)
Low Structural Elaboration	6	4.09	-0.12 (0.75)
High Structural Elaboration	8.64	2.73	-0.61* (0.04)
Organizational Expenses	10.56%	5.58%	-0.006*** (0.000)

Table 5.12: Summary of Change in Institutional Attention, TMA and Organizational Activity on Wellness

	1995	2002	Coefficient
Minister's Message	0%	33.33%	0.037 (0.161)
Index	34.9%	61.3%	0.033** (0.017)
TMA	7.9%	19.8%	0.009* (0.065)
Assertion	48.28%	46.67%	-0.015 (0.417)
Justification	10.35%	0%	-0.022* (0.083)
Without Justification	41.38%	53.33%	0.037 (0.106)
Low Structural Elaboration	7.18	22.68	2.675** (0.01)
High Structural Elaboration	2.45	3.82	0.23 (0.30)
Organizational Expenses	3.7%	4.68%	0.001 (0.121)

Table 5.13: Summary of Change in Institutional Attention, TMA and Organizational Activity on Home/Community

	1995	2002	Coefficient
Minister's Message	9.5%	3%	-0.012 (0.160)
Index	11.7%	0.7%	-0.011** (0.049)
TMA	6.1%	4.1%	-0.005 (0.195)
Assertion	25%	0%	-0.059** (0.025)
Justification	10%	33.33%	0.046** (0.019)
Without Justification	65%	66.67%	0.013 (0.607)
Low Structural Elaboration	2.73	3.27	0.15 (0.16)
High Structural Elaboration	3.55	4.73	0.32 (0.17)
Organizational Expenses	5.12%	7.30%	0.002*** (0.009)

Figure 5.1: Top Managerial Response to a Business-Like Model of Health Care

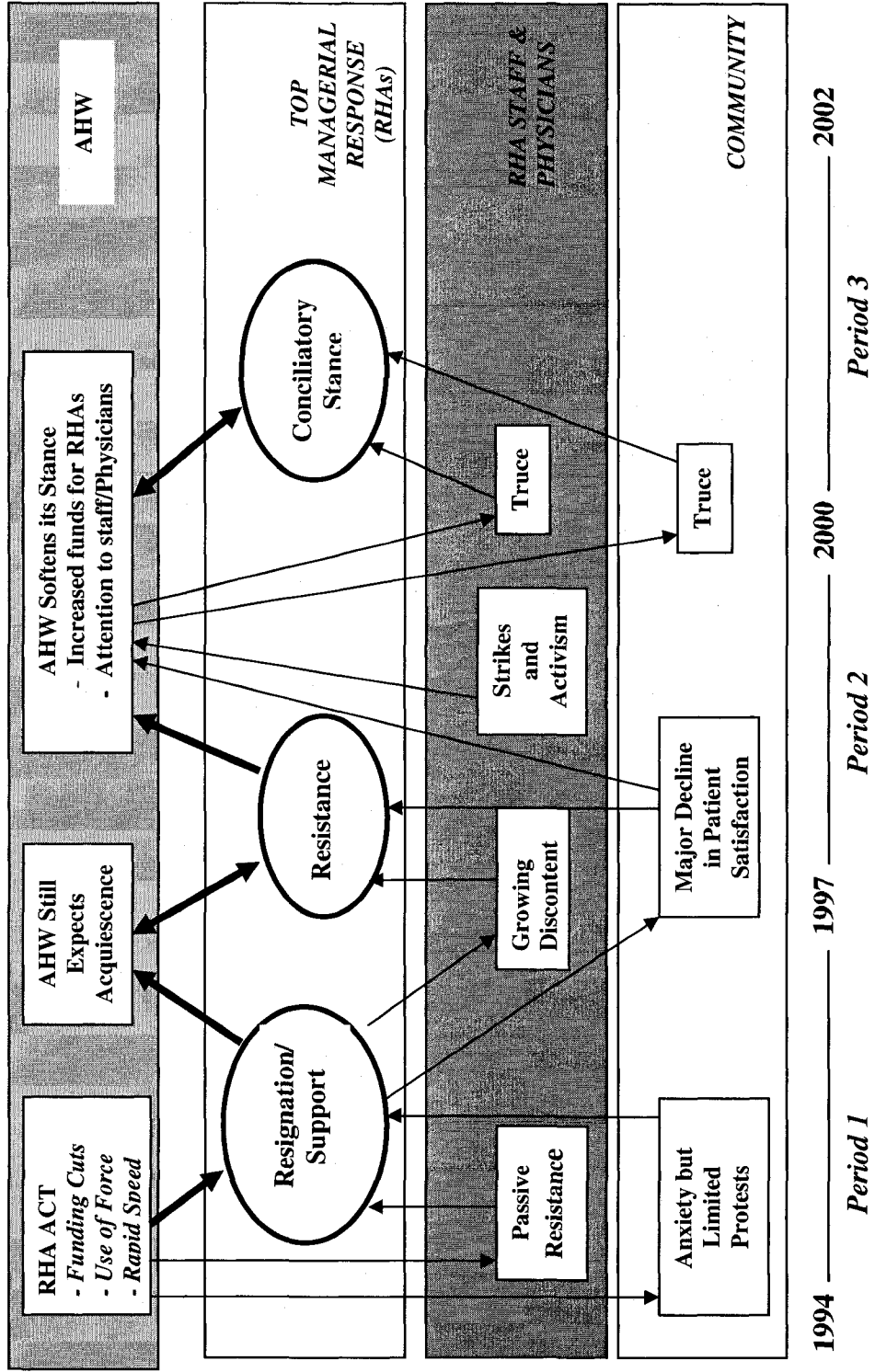


Figure 5.2: Health Care Expenses in Alberta (billions of dollars)

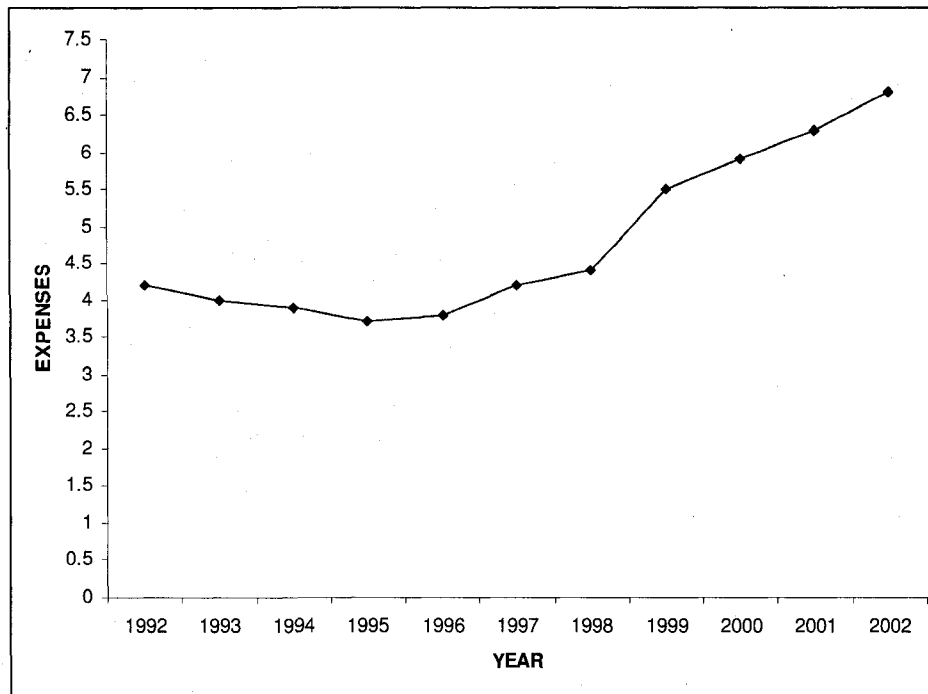


Figure 5.3: Model Describing the Relationship between Attention, Rhetorics and Organizational Activity on the Issue of Administrative Efficiency

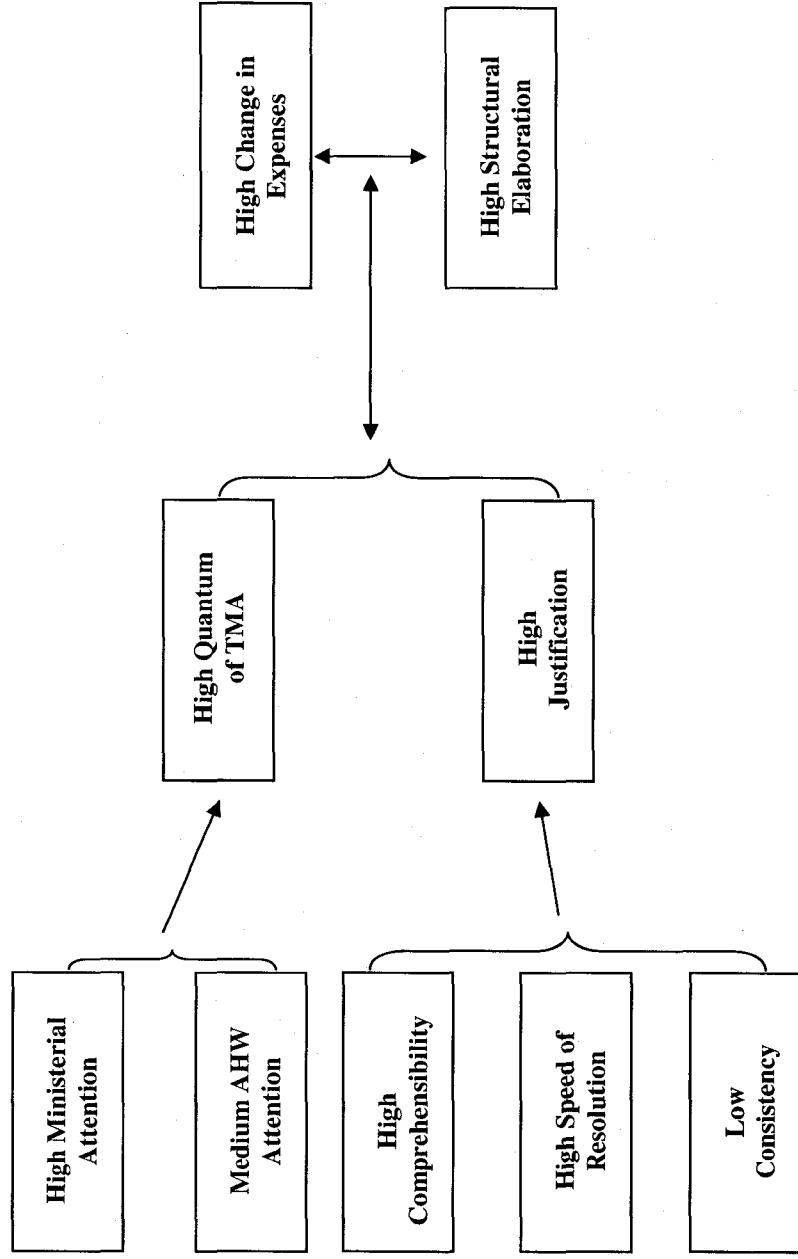


Figure 5.4: Model Describing the Relationship between Attention, Rhetorics and Organizational Activity on the Issue of Wellness

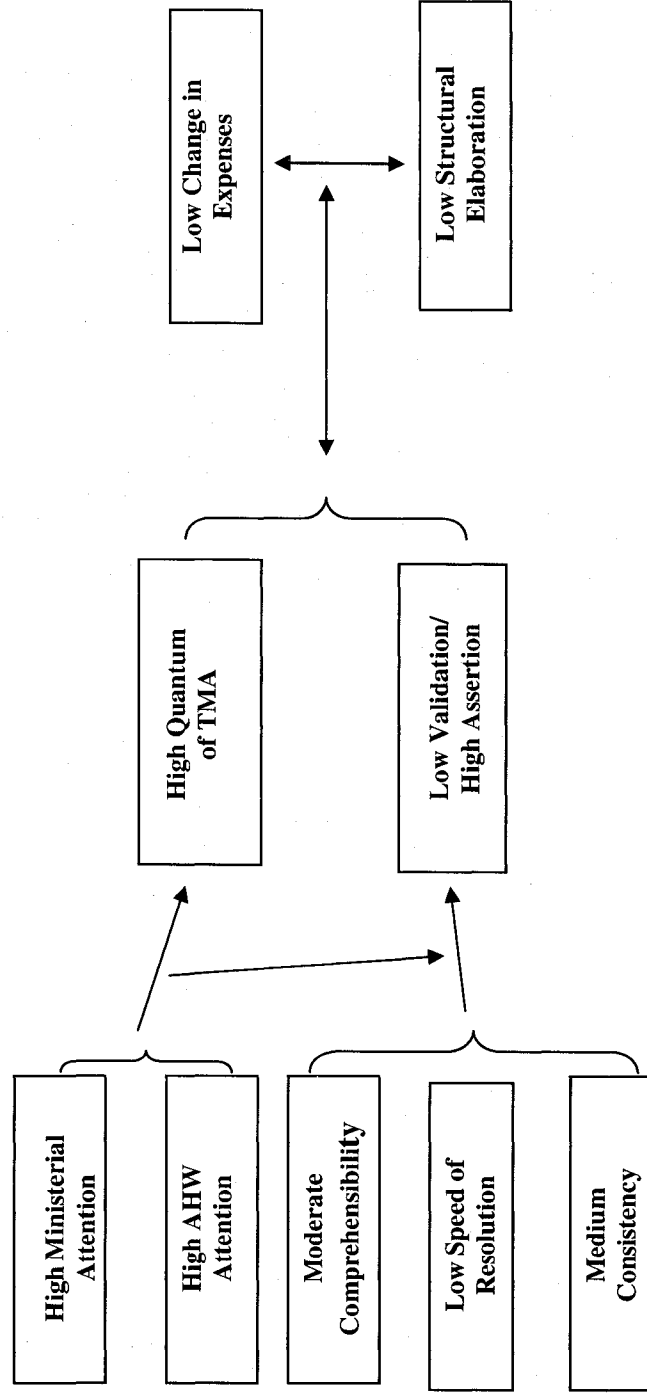
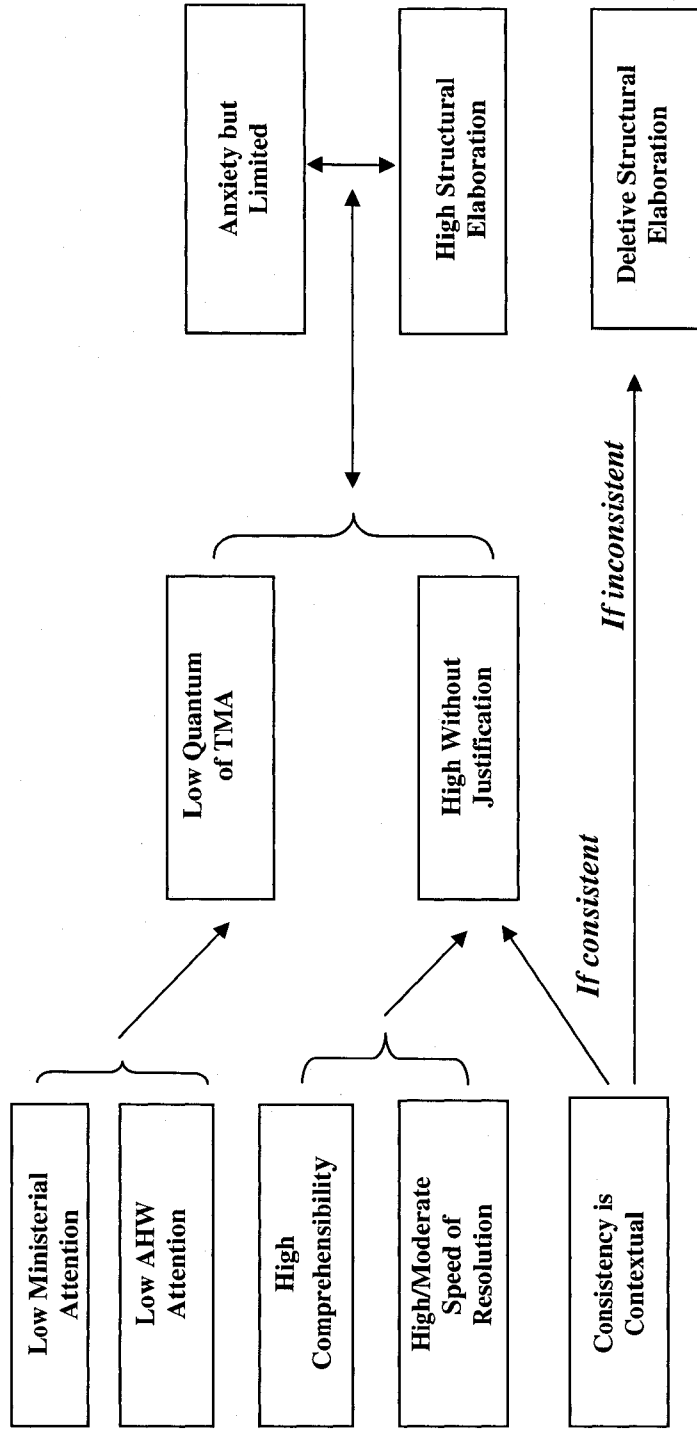


Figure 5.5: Model Describing the Relationship between Attention, Rhetorics and Organizational Activity on the Issue of Home/ Community



CHAPTER 6: CONCLUSION

The research question investigated in this dissertation – when and how does TMA lead to symbolic or substantive organizational activity – followed Oliver's (1991) advice that institutional theorists should consider top managerial understanding of events when studying organizational responses to institutional pressures. To do this, analyses focused on the cognitive element of top managers' decisions and the agency associated with those cognitions in shaping top managers responses to coercive pressures. A two-phase study of the Alberta government's (AHW's) directives to the full population of subordinate public-sector organizations (RHA's) over the period 1993-2002, and the response by these organizations to the government's directives, pointed to a role for top managerial discretion even in the face of coercive pressure from the government.

I find that top managers make sense of government's expectations and determine the extent of organizational support that will be given to the various issues raised by the government. This leads to differences in extent of organizational activity. I specify these differences by showing that administrative efficiency received a substantive response that was characterized by top managerial rhetorics of validation, significant changes in budgetary expenses, and high structural elaboration; wellness received a symbolic response that was characterized by rhetorics of assertion, insignificant changes in budgetary expenses, and low structural elaboration; and home/community received a mixed response that was accompanied by both additive activities (e.g., change in

expenses; high structural elaboration) and deletive activities (e.g., actions that are contrary to the expectations of the government). At the most rudimentary level, the findings of this dissertation go beyond looking at symbolic responses as all talk and inadequate concrete action (e.g., Fiss and Zajac, 2004). Instead, substantive and symbolic responses are now further differentiated from each other by the content of discourse and action upon them. That is, both are spoken about and acted upon in different ways. The overall findings run counter to traditional institutional predictions. Specifically, the study demonstrates empirically that top managers' exercise substantive agency even in strongly institutionalized contexts. Such a finding is surprising because it occurs with respect to the strongest of all pressures (i.e., coercive pressures), the pressure one would think least likely to exhibit such a result. More generally, these results suggest that we can enhance our understanding of conformity to institutional pressures by suspending our assumption that inevitable conformity and by examining how top managerial cognition and attention intervene in the process.

The balance sections of this chapter are structured as follows. In the first section I revisit the starting theoretical framework developed in Chapter 2 and offer new areas of elaboration. The result is the specification of six propositions. The second section offers suggestions on areas of future research. The third section discusses implications for methodology. The final section discusses a few implications for policy and practice.

Elaborated Theoretical Model

Prior to describing the elaborated theoretical model, I briefly revisit the starting theoretical model (Figure 2.3) that summarized the four hypotheses. The four starting hypotheses are: (1) the greater the institutional attention to an issue, the greater will be the TMA to that issue; (2) the greater the TMA to an issue, the greater will be the organizational activity on that issue; (3) the greater the rhetorics of assertion used for an issue, the lesser will be the organizational activity on that issue; and (4) the greater the rhetorics of validation used for an issue, the greater will be the organizational activity on that issue. These hypotheses were tested in univariate and multivariate settings in Chapter 4. I find strong support for the first, second and fourth hypotheses, and modest support for the third hypothesis. These findings were further reconfirmed and elaborated upon in Chapter 5 which used additional qualitative and quantitative evidence to further investigate the research question.

--- INSERT FIGURE 6.1 ABOUT HERE ---

Based on the analysis presented in Chapters 4 and 5, an elaborated theoretical model is presented in Figure 6.1. It answers the research question through the specification of six propositions that describe how TMA affects organizational activity. The first proposition specifies a role for studying organizational responses through issues (as opposed to institutional logics) with an explicit focus on TMA (as opposed to an implicit or ignored role for top managers in institutional theory). An explicit focus on TMA offers a more fine-

grained understanding and greater level of detail than current studies on organizational responses to coercive pressures. Specifically, this study showed how coercive pressures may require subordinate organizations to resolve a few issues. At the broadest level, while the restructuring of healthcare in Alberta was primarily about a shift towards a business-like healthcare system (Reay and Hinings, 2005), I develop the argument that such a shift required the resolution of several issues – administrative efficiency, home/community care, wellness, and information technology – some of which were more consistent than others with a business-like healthcare system aiming for a more efficient use of resources. These findings also offer some clarity to the institutional logics literature (e.g., Friedland and Alford, 1991; Reay and Hinings, 2005) that remains underdeveloped on the antecedents or determinants of logics. That is, while studies tend to view logics as schema that appear coherent and clear on inception, this might not be the case. This study points to issues and attention being the key drivers of a change in institutional logics. Specifically, it is argued that logics emerge out of a series of issues that are both contested and clarified by the institutional authority and subordinate organizations.

As hypothesized, greater institutional attention on an issue led to greater TMA on that issue. However, an explicit focus on issues facilitated a more thorough understanding of the research question by making me aware of the multiple ways in which organizations respond to pressures from the government. For example, latter propositions would highlight how administrative efficiency

received a substantive response, home/ community a mixed response, and wellness a symbolic response. Although the starting model specified a role for issues, an explicit focus on multiplicity of issues, and their consequences on types of organizational responses, was not central to the starting theoretical model. Also, tests for differences in means presented in Chapter 5 showed that different issues are raised and attended to varying degrees by both the government and top managers. This leads to the first proposition of the elaborated framework:

Proposition 1: Institutional authorities raise several issues that need resolution in text produced by them and these receive TMA to differing degrees.

The second proposition introduces a new construct – top managerial perceptions of issue criticality – that specifies an explicit role for top managerial choice. It develops the argument that top managers attribute differing levels of “salience” (Mitchell et al. 1997) to different issues based on their perception of how critical an issue is. This is consistent with the strategic issue diagnosis literature (Dutton and Jackson, 1987; Jackson and Dutton, 1988) which highlights that limitations of top managerial time and energy lead to resolution of few issues only. TMA and top managerial perceptions of issue criticality are presented with two-way arrows to describe how they reinforce each other, implying that greater TMA should generally be associated with greater perceptions of issue criticality. These perceptions of issue criticality are also evidenced in top managerial text in words such as “urgent” and “essential” to accord salience to select issues.

This finding further elaborates upon Edelman et al. (2001) by describing how top managers actively make sense of what is expected of them (through TMA) and modify expectations and prioritize issues (through top managerial perceptions of issue criticality). In order for top managers to view issues raised by institutional authorities as critical, they should perceive that the issue is comprehensible (Suchman, 1995), has consistency with other stakeholder expectations and past organizational practices (e.g., Oliver, 1991), and needs speedy resolution (e.g., Dutton and Jackson, 1987). For example, despite wellness received the greatest institutional attention amongst issues, neither did it receive the greatest TMA nor was it considered to be a critical issue by top managers as (1) the issue had low comprehensibility – it appeared less actionable (Suchman, 1995) to invest more on wellness in the face of large budget cuts, as also less plausible (Suchman, 1995) as top managers believed that wellness was affected by several socioeconomic factors (e.g., education, income) beyond their control, and (2) the issue of wellness did not appear to need speedy resolution as it was not perceived to be urgent.

These findings explicitly identify a role for top managerial cognition and choice that supplement both the starting theoretical model (Figure 2.3) and Oliver's (1991) framework on organizational responses to institutional pressures. These findings also go beyond the starting theoretical model which focused primarily on the effects of institutional attention on organizational responses and was less cognizant of the role played by top managers in according salience to

some issues. Hence, the above area of elaboration addresses the research question by specifying the effect of top managerial perception of issue criticality on organizational responses. Issues perceived to be critical will eventually receive substantive commitment of organizational resources and get a substantive response. This finding is important in light of the fact that such top managerial perceptions and discretion occur despite strong coercive pressures and directions from the government. It also addresses Oliver's (1991: 172) suggestion for future research to identify the rationale given by top managers for conformity or deviance from institutional pressures. The above discussion leads to the second proposition:

Proposition 2: Top managerial perception of issue criticality is determined by the comprehensibility of an issue, its consistency with past practices and other stakeholder objectives, and its perceived speed of resolution.

The third proposition presented in Figure 6.1 draws upon the finding that different perceptions of issue criticality reflect in different levels of top managerial support. Specifically, issues that are considered critical will receive greater levels of top managerial support than issues not perceived to be critical. For example, in the early years following regionalization (1993-1995), administrative efficiency received high levels of top managerial support as compared with other issues (e.g., wellness; home/community). Such perceptions of issue criticality were evidenced through several statements supporting the cuts in administration costs and staff levels. This support was further facilitated by the

fact that the government appointed most of the board members of RHA's and these top managers shared the government's values. Latter years would, however, see greater exercise of discretion and choice by top managers, particularly when institutional objectives were not shared by the community. This finding points to explicit exercise of top managerial power in influencing organizational actions through their support.

Substantive responses, symbolic responses, mixed responses and defiant responses as per this model are evidenced in top managerial support, which in turn is affected by top managerial perceptions of issue criticality. This finding goes beyond a large body of work done by Zajac and Westphal (e.g., Westphal and Zajac, 2001; Zajac and Westphal, 1995) who primarily focus on how agency or power may lead to differing levels of top managerial support. These findings also empirically elaborate upon Dacin's (1997) observations that the power of institutional prescriptions may vary across issues and lead to differing levels of support. An explicit focus on how perceptions of issue criticality affect the level of top managerial support represents an area of departure from the starting theoretical model. This finding also offers further insights into the research question by empirically elaborating that not only do top managers play an important role in identifying what is important, but also that influence organizational responses through their support. Thus the third proposition:

Proposition 3: Top managerial perceptions of criticality will vary across issues and lead to different degrees of top managerial support for issues.

The fourth proposition draws upon the finding that differences in levels of top managerial support will lead to different types of top managerial discourse and reflect in the repertoires of organizational actions taken in response to issues. Specifically, empirical evidence in this dissertation elaborates four responses – substantive, mixed, symbolic, and defiance – to coercive pressures that may be seen as further elaborating and refining Oliver’s (1991) framework and the starting theoretical model (Figure 2.3) in three ways.

First, this evidence develops a framework with predictive validity on the content of top managerial discourse by arguing that the way things are said by top managers is indicative of how organizations will respond to institutional pressures. This specifically elaborates upon some institutional studies that urge a focus on discourse and language (e.g., Edelman et al. 2001; Green, 2004; Phillips et al. 2004). Put simply, it urges future research to be attentive to how top managers say things instead of singularly focusing on what top managers say.

Second, the specification of the extent of structural elaboration offers theory with more sophistication in discerning content of organizational activity. The argument being developed here is, while disproportionately greater elements of low structural elaboration (e.g., plans, rules, committees) are indicative of symbolic organizational activity, greater elements of high structural elaboration (e.g., infrastructure and manpower commitments) are indicative of substantive organizational activity. This argument moves beyond the starting theoretical model which was primarily focused on budgetary expenses as a measure of

substantive organizational activity. It also moves beyond extant literature that conceptualizes symbolic response as top managerial talk that is not accompanied with organizational actions (e.g., Fiss and Zajac, 2004; Zajac and Westphal, 1995) or as decoupling or loose coupling between various organizational activities (e.g., Basu et al. 1999; Edelman, 1992).

And third, the evidence presented in this dissertation specifies a role for deletive structural elaboration and argues in favor of an explicit focus on how actions may be contrary to institutional expectations, thereby making researchers attentive to violation of directives. The specification of types of structural elaboration (additive and deletive) and extent of structural elaboration (high and low) further develop upon and substantiate Edelman (1992) and Meyer and Rowan's (1977) observations that we should be attentive to the way in which organizational structure changes in response to institutional pressures.

I find that a substantive organizational response will be accompanied by rhetorics of validation, high structural elaboration, and affect budgetary allocations to address the issue. Such a response may occur quite immediately such as happened in the case of administrative efficiency. A mixed response will be accompanied by greater use of both validation and excuses in top managerial discourse, and also with both high structural elaboration and deletive structural elaboration. In part, these may be a consequence of inconsistencies in institutional directives, or alternatively by the need to placate several stakeholders simultaneously (e.g., Basu et al. 1999). This happened in the case of

home/community. A symbolic response will be accompanied by high TMA, greater use of rhetorics of assertion, low structural elaboration and no change in budgetary expenses. This finding is consistent with Meyer and Rowan's (1977) and Feldman and March's (1981) arguments that organizations may assert values and make a pretence of collecting information or implementing policy in a superficial manner. Finally, a defiant response (e.g., Oliver, 1991) may occur through little discourse or action on an issue, or through the adoption of a confrontational approach. This was especially evidenced on administrative efficiency in the latter years when anger and public backlash against RHA's.

The above findings address the research question by developing a typology of organizational responses to institutional pressures with an explicit focus on the content of top managerial communications, the extent of structural elaboration, and extent of change in expenses in response to institutional pressures. This leads to the fourth set of propositions:

Proposition 4: Extent of top managerial support determines the type of organizational response to issues. Different types of responses will be characterized by differences in top managerial rhetorics, extent of structural elaboration, type of structural elaboration, and budgetary allocations.

Proposition 4(a): Issues that receive a high degree of top managerial support will receive a substantive organizational response. A substantive response will be characterized by top managerial rhetorics of validation, high structural elaboration, and high budgetary allocations to address the issue.

Proposition 4(b): Issues that receive top managerial support on some activities but not on others will receive a mixed organizational response. This will be resolved through elements of both top

managerial rhetorics of validation and excuses, and both additive and deletive structural elaboration.

Proposition 4(c): Issues that receive high institutional attention but limited top managerial support will receive a symbolic organizational response. A symbolic response will be characterized by top managerial rhetorics of assertion, low structural elaboration, and will not affect budgetary allocations to address the issue.

Proposition 4(d): Issues that receive no top managerial support will be ignored or will receive a defiant organizational response. A defiant organizational response will be characterized by low top managerial discourse or excuses, and will reflect in either limited structural elaboration or in deletive structural elaboration.

Another finding of this dissertation was the role played by various stakeholders in evaluating organizational responses. This is presented in the fifth proposition depicted in Figure 6.1. I find a role for both institutional authorities and other stakeholders such as staff and the community in evaluating organizational activities. Although RHAs were responsible to only one “focal organization” (Oliver, 1991), namely AHW, for their budgets and reporting, the outcomes of their actions were evaluated by several other stakeholders too. For example, this dissertation pointed to the extensive scrutiny RHAs received from its stakeholders that led to activism by the community in Period 2 (1997-1999) and staff in Period 3 (2000-2002).

These findings further substantiate the role of resource dependencies substantiated in Oliver (1991) and are beyond what is addressed in institutional theory. A specific area of elaboration offered in this revised framework is the active role played by the various constituents in constantly monitoring whether or not organizations met their expectations. In turn, stakeholders evaluate whether

or not organizational responses are worthy of support. I therefore argue in favor of the need to consider the performance implications of organizational actions – both by institutional authority and external stakeholders – while studying organizational responses to institutional pressures. This finding indirectly addresses the research question by drawing attention to the active role played by various stakeholders and constituents in scrutinizing and actively engaging in politicking (e.g., strikes, activism) in response to organizational actions. Thus the fifth proposition:

Proposition 5: Organizational response to issues is evaluated by the institutional authority for compliance, and by other stakeholders for outcomes.

The final finding and elaboration of the starting theoretical model is shown through the sixth proposition in Figure 6.1. It specifies that future top managerial support will be affected by the feedback top managers get from stakeholders on past actions. For example, negative public perceptions and decline in patient satisfaction led to lower top managerial support for implementing further actions on administrative efficiency in Period 2 (1997-1999). By contrast, despite symbolic actions on wellness, RHAs did not face any repercussions from AHW or other stakeholders, and these reinforced previous symbolic actions on the issue which were seen as sufficient for continued support. This finding empirically substantiates Dacin et al.'s (2002) concerns that institutional pressures may be acquiesced to different degrees across time. As also, it reiterates Greenwood and Hinings (1988) theoretical framework

proposing that organizational moves are dynamic and organizations may change tracks mid-way through a change process. In specific, this study supports the argument that legitimacy should be viewed as a “dynamic constraint” as organizations adapt (Dowling and Pfeffer, 1975).

This elaboration on the dynamic nature of top managerial support, episodic nature of legitimacy (Suchman, 1995) and shifts in organizational responses were not a part of the starting theoretical framework. These findings question assumptions in the literature that legitimacy occurs gradually and that legitimacy is generally good (e.g. Greenwood et al. 2002). Instead, this study finds that legitimacy is better viewed as a social process (e.g., Johnson and Dowd, 2006). It also implies that legitimacy is not always good, and in fact may have a dark side. For example, excessive attention and emphasis on being legitimate through being administratively efficient had rippling effects on technical performance and client satisfaction in the latter years. Thus, although RHAs in Alberta were dependent upon the government, a principal focus on gaining legitimacy in the eyes of one stakeholder (government) eventually had a negative effect on the image of the organizations in the eyes of other stakeholders (staff; community). Hence, singular attention towards legitimacy-based goals may actually serve to be an attention-trap of sorts and not good for long-term performance. Eventually, an organization needs to balance stakeholder interests and will make continuous moves to correct anomalies with its position. Thus the final proposition:

Proposition 6: Positive stakeholder feedback will reinforce prior organizational responses and lead to continued levels of top managerial support. By contrast, negative stakeholder feedback will lead to reduced top managerial support and cause shifts in future organizational responses.

Suggestions for Future Research

The first suggestion is to further operationalize top managerial understanding of events through a study of discourse and relate it to institutional pressures and organizational activity. This study finds that what top managers say and how they say it is associated with what organizations do despite coercive pressures. Addressing the question on whether institutions produce symbolic change (Meyer and Rowan, 1977) or substantive change (DiMaggio and Powell, 1981) requires researchers to flush out the rhetoric from reality (Zajac and Westphal, 1995; Zbaracki, 1998), and top managerial discourse and understanding of events must be carefully considered (Arndt and Bigelow, 2000: 514; Oliver, 1991). While this dissertation studied top managerial discourse in times of coercive pressures for change in a highly institutionalized sector, future research may study the top managerial discourse in other contexts (e.g., in times of normative pressures). This study also reiterates Pfeffer's (1981: 3) suggestion to study both the symbolic and substantive within the same framework instead of a singular focus on the cognitive and symbolic aspects that are essayistic and conceptual, or on the substantive aspects through traditional quantitative frameworks that tend to underemphasize a study of cognition and discourse.

While there have been recent attempts to theorize the links between discourse and action (Green, 2004; Phillips et al. 2004), few empirical studies have verified and elaborated them (notable exceptions include Fiss and Zajac, 2004; Zajac and Westphal, 1995). In fact, studies as early as Cyert and March (1963) have pointed to the potential of disconnects between top managerial decisions and organizational activity. The suggestion for further empirical research on this area follows Bacharach (1989) and Pfeffer (1993) who argue that no theory is beyond empirical refutation. While empirical validity is only one of the factors of attractiveness of a theory, it is an important one (McKinley, Mone and Moon, 1999). Future studies may empirically operationalize discourse and action through a study of discourse in other settings, such as an investigation of an organization's internal communications. Opportunities also exist to relate how discourse in an organization's governance channels (board meetings, annual reports) affects an organization's day-to-day operations (Ocasio and Joseph, 2005). The temporal effects of discourse and action could be addressed through longitudinal frameworks that study the diffusion of practices and norms in professional fields.

The second suggestion is to be attentive to and further elaborate on "episodic" or temporal kinds of legitimacy (Suchman, 1995) in future studies of institutional change. Although most studies have focused on moves made by organizations that are seen as legitimate by institutional authorities, the focus on legitimacy should also be on how conventions get accepted within the society or

organizational fields (Douglas, 1986). Hence there also exists a role for studying how conventions lose credibility and how new ones emerge. The primary emphasis thus far has been on enduring forms of legitimacy with specific reference to how norms get taken for granted. However, it is important to recognize that action might occur without being taken for granted, or in other words, without institutionalization occurring. This study argues how early attempts at changing institutional rules are very likely characterized by episodic periods of and shifts in legitimacy. This is because the potency of institutional norms may vary across time (Dacin, 1997). Careful attention to episodic types of legitimacy should be seen as helpful to address concerns that institutional theory is a theory of persistence and homogeneity as opposed to a theory of change (Dacin et al. 2002). While the role of contradictions, conflict and praxis is has been acknowledged in institutional theory (Friedland and Alford, 1991; Seo and Creed, 2002), less is known about how these contradictions and conflicts are resolved by institutional authorities and organizations. This study shows how institutional authorities might use several strategies in order to legitimate new rules when cynicism rises in subordinates.

Of particular importance to the conceptualization of episodic forms of legitimacy is the role of “comprehensibility” (Suchman, 1995) in creating cognitive legitimacy in the early stages of institutional expectations. This concept has been briefly addressed in Suchman’s (1995) framework and provides a fruitful area for future research. As described in this study, comprehensibility is

not about specifics or detail as much as it is about believability through “plausibility” (Suchman, 1995). There exists the opportunity to theorize and substantiate factors that make some messages more plausible than others, and to theorize when and how some episodic forms of legitimation work better than others. Future studies could also directly address Suchman’s (1995: 603) question: “Does the sequencing of legitimation efforts affect the ultimate success of a legitimation project?”

The third suggestion for theory is to operationalize theoretical constructs such as top managerial discourse and organizational activity through more fine-grained analysis. An example would be a study of type of rhetorics used (Green, 2004) and structural elaboration (Edelman, 1992; Meyer and Rowan, 1977) over longitudinal periods of time. For the most part, organizational activity is currently studied through more coarse-grained concepts and measures such as changes in strategies, adoption of programs (e.g., TQM) and adoption of organizational forms (e.g., multi-divisional). It is argued that the study of structural elaboration through a detailed analysis of changes in various structural elements may provide detailed insights into the extent organizations are willing to focus their resources and energies on issues. This study shows how low structural elaboration occurred on wellness and how organizations mask inactivity through ceremonial acts.

A study of structural elaboration is particularly relevant while looking at how organizations react to institutional expectations or when institutional myths are rife. There are opportunities to study the extent to which organizational

structures are elaborated in response to normative expectations from professional associations and other pressure groups such as non-governmental organizations. From a theoretical standpoint it is important to conceptualize whether a certain level of critical mass or momentum is necessary before a shift towards high structural elaboration occurs. Another area of empirical interest may be a study of top managerial discourse and structural elaboration in times of managerial fads, current examples being corporate social responsibility and environmental sustainability.

The fourth suggestion is to develop empirically testable theoretical frameworks that can predict the type of top managerial discourse and organizational activity that occurs. One way to do this is through the concepts of institutional attention and issue criticality developed in this dissertation. Future studies could incorporate how additional factors, such as the extent of institutional scrutiny and centrality of an issue to organizational survival, impact organizational responses to external expectations with the starting assumption that organizations, particularly those in the public sector, tend to be inertial in nature. One can also study how factors such as organizational status and social networks affect the type of discourse and action that will occur in the face of institutional expectations. These suggestions point to the need for future research to identify the temporal and spatial boundaries (Bacharach, 1989) under which predictions of discourse and action hold true.

The fifth suggestion for theory is to develop frameworks that address the effectiveness of different types of top managerial discourse in various contexts. One example is Elsbach's (1994) work on effectiveness of accounts in times of crises. While this current study did not explicitly consider this, it appears that top managerial assertions on wellness appeared sufficient for continued support by institutional authorities. Similarly, while this study found that different framing strategies (Benford and Snow, 2000; Fiss and Zajac, 2006) might be used for different issues, their effectiveness and impact were not explored. Future research may further explore early stages of institutional pressure, the visibility of an organization, the context in which these accounts are used (raising capital, mergers, restructuring), and so forth. Further work needs to be done to understand effectiveness of top managerial accounts and explanations in their attempts to get the support of constituents. Much more work is needed on understanding whether these types of accounts vary across domains and constituents. Are different framing strategies needed to create worthiness in the eyes of staff members, powerful agents in the external environment (bankers, professional associations), regulatory authorities and consumers? While managing has been referred to as a performing art (Vaill, 1989), research is needed to show how this art is performed with specific reference to top managerial discourse used in various settings.

A final suggestion with specific reference to Oliver's (1991) framework is to include "complexity" (Perrow, 1984) as another predictor of strategic response by organizations. It is difficult to predict the full range of outcomes when actions

are undertaken in complex systems. This study showed that the implementation of reforms in areas such as healthcare is extremely complex due to multiple components and indicators that are often mutually incompatible. I therefore argue that changes in systems such as healthcare and other highly professionalized sectors would be very gradual at best. The slow adoption may be attributed to small failures that arise in the initial stages of change and create skepticism on the worthiness of change in an already complex system. Future studies may theorize and empirically substantiate the potential impact of complexity with specific reference to the unpredictability of organizational actions upon outcomes and performance. As explained in this dissertation, change may involve periods of acquiescence followed by resistance; in other words, showing hesitancy during the process of implementation may lead to unresolved excursions (Greenwood and Hinings, 1988).

Implications for Methodology

This study has one implication for methodology – to encourage scholars to relate methodology closer to theorizing (Sonpar and Golden-Biddle, 2008, 2005). Gephart (2004) identifies the lack of development of systemic protocols in qualitative research as a significant impediment to theory development. We have shown how content analysis of archival data, with specific reference to formal corporate communications, offers excellent potential to elaborate on theoretical frameworks, particularly when they are underdeveloped or adolescent. This is

because the methodology of content analysis facilitates data reduction of large volumes of text into distinct themes or numbers. This facilitates both the expansion of meaning and the statistical testing of relationships by using protocols such as frequency counts and keyword-in-context to study trends and differences, as well as associations between variables. Such data reduction can be done in a reliable manner through the use of computerized packages or multiple coders by using code-books and developing clear coding guidelines that make it a simple clerical activity (D'Aveni and MacMillan, 1990). Given that formal corporate communications generally exist across longitudinal periods of time and are published by multiple organizations within a domain, it is feasible to study large samples over longitudinal periods of time and further specify the spatial and temporal boundaries of theories (Bacharach, 1989). While the use of content analysis is labourious, resource-intensive and time consuming, it is particularly suitable for analysis for datasets with large textual components that need aggregation and expansion.

Implications for Policy

This paper has three policy implications. The first implication is to direct the attention of policymakers to the importance of managing legitimacy of reforms in times of change. It is the prerogative of regulatory agencies to ensure that their agenda is both believable and capable of resolution through the actions of managers of subordinate organizations. This study shows how emotional

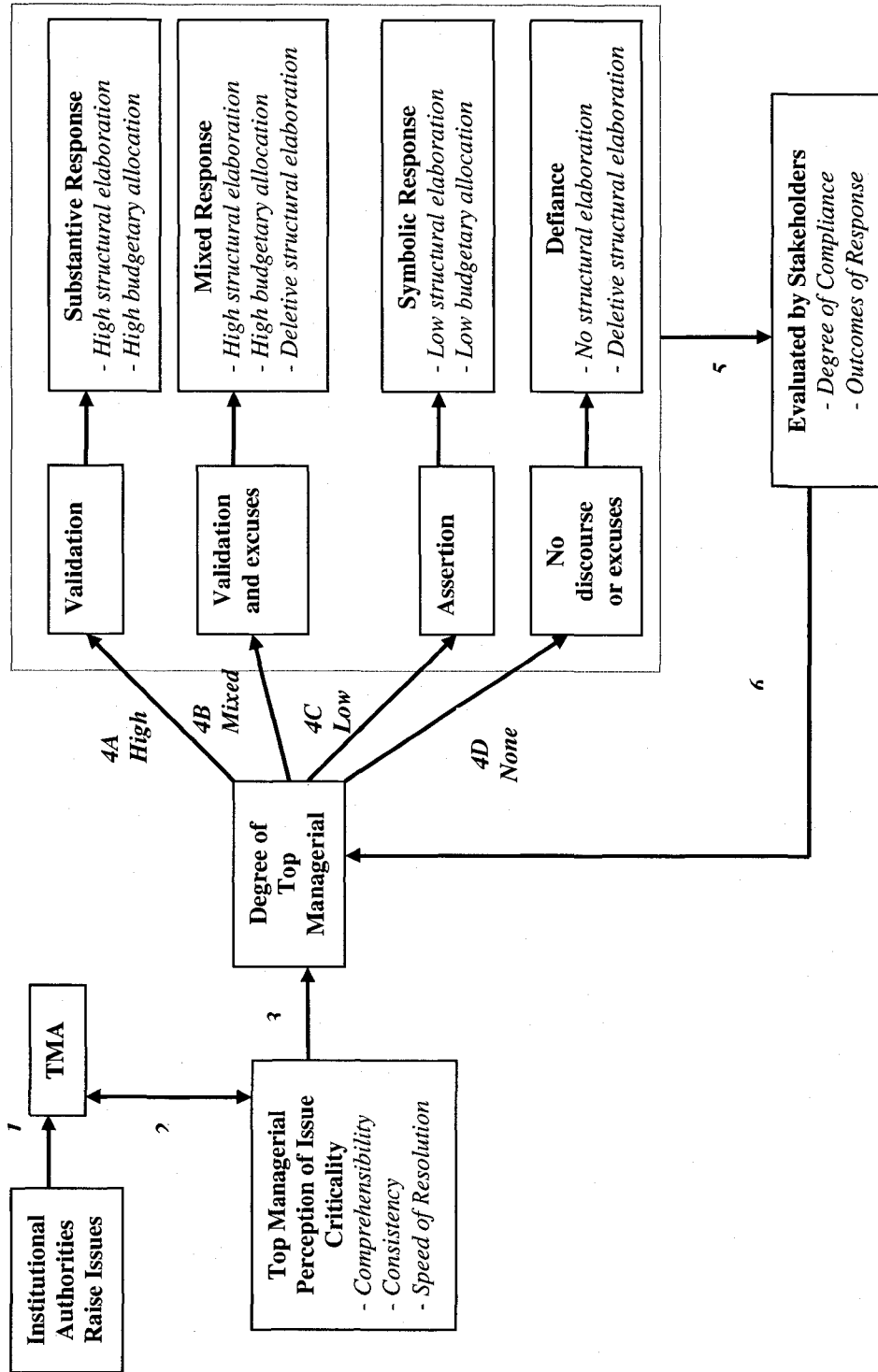
appeals may not have the necessary impact upon subordinate organizations (Green, 2004). One example was the great quantum of discourse on wellness accompanied by little direction on what was exactly meant by wellness and what specific steps could be taken by subordinate organizations to ensure effective implementation. It is therefore argued that managing meanings is crucial. Two ways to provide credibility to meanings are by ensuring the message being given to the constituents is “plausible” and actionable (Suchman, 1995).

The second implication is to urge policymakers to be more attentive to professionals. This study shows how the initial isolation of physicians and health staff from the decision-making process had created a very angry and frustrated set of healthcare workers. It is therefore important to ensure that the support of professionals or influential champions is enlisted early in the change process. If not, change efforts are very likely to fail or have limited impact. Another example of inattentiveness to professionals is the lack of integration of physicians into the overall health system. The analysis of RHA documents and AG reports point to the lack of coordination between physicians and RHAs. It appears there is a misalignment of physician and RHA interests, with this misalignment leading to poor outcomes in health delivery. For example, as physicians are paid on a fee-per-visit basis, there is no incentive for other tasks such as keeping people healthy or ensuring the best utilization of resources. It is argued that keeping physicians outside the governance mechanisms in Alberta has not achieved much

as they are the gatekeepers to the health system, and their trust and support appears to be a necessary pre-condition for most changes in healthcare delivery.

The final implication is to ensure that aspects related to policy implementation must be a part of the strategic planning process. It appears that a lack of clarity in execution in the initial stages seemed to create a fairly high level of chaos and disorder in the early years of reforms. These were resolved by the government through changes in funding and, in certain instances, by actions that might be considered a return to the status quo, thereby diluting the authority of the government. It appears that regulatory agencies may risk losing their credibility if benchmarks keep changing and little enforcement is done when decisions have been made. These aspects were demonstrated in the documents which pointed to repeated changes in the policy, revisions on planning indicators, interim funding and limited disincentives for RHAs that were consistently running in deficit. While AHW might have been successful in reducing the administrative machinery, the true intent of reforms appears to have fallen short of expectations, specifically in the area of wellness. On the other hand, focused initiatives on home/community through the Broda Report were met with some modest success. The importance of considering implementation in the strategic planning process therefore cannot be underemphasized.

Figure 6.1: Elaborated Theoretical Model



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