Leadership and Isomorphism in New Organizations

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The importance of leadership in organizations has been advocated by many influential scholars throughout the last several decades (Burns, 1978; Bass, 1981; Yukl, 1998). It continues to be considered a vital component for organizational success by both scholars and management professionals (Kellett, 1999). Leadership remains a topic of high interest and is frequently referred to as the most critical factor in the success or failure of organizations (Bass, 2008).

It has also been suggested that leadership is especially important during the process of creating organizations (Schein, 1983). Through their vision and beliefs, initial leaders have a significant influence on the formation and makeup of their respective companies (Schein, 1983). Visions are often communicated through persuasive charismatic expression and ultimately become embedded in the organizational culture (Schein, 2004).

Some scholars have questioned the actual impact that leadership has on organizations (Pfeffer, 1977; Kerr & Jermier, 1978; Meindl et al., 1985). Such views criticize leadership theory for being too ambiguous (Pfeffer, 1977), and have also referred to it as a glorified after-the-fact sensemaking attribution process (Meindl, 1993). An additional perspective, Kerr & Jermier’s (1978) substitutes for leadership theory, suggests that certain organizational characteristics such as task description and subordinate ability may actually take the place of leadership, or at least negate its effects. These views suggest that leadership will be more accurately understood within a broader context. Environmental considerations should be made to gain a deeper understanding of how leadership is affected by more than just the behaviors of managers.

This paper takes an institutional theory approach in exploring the possibility of isomorphism as an additional ‘substitute’ for leadership. Institutional theory speaks to how organizations become similar in structure and process (Deephouse, 1996). DiMaggio and Powell (1983) described institutional isomorphism as a homogenization process and identified three types: coercive, mimetic, and normative. Paradoxically, these concepts suggest that as actors try and change their respective organizations, isomorphic forces actually drive organizations to become more similar (DiMaggio & Powell, 1983).

The Philadelphia Union are the newest member of the Major League Soccer (MLS) association. Union President Tom Veit was hired during the initial stages of the company and has had a considerable impact on the development of the organizational structure and culture. Veit’s vision for the Philadelphia Union is one that embodies transcendence by deviating from that of the status quo. Earlier this year, after an interview discussing the future of the Union with Tom Veit, John Mantia of Goal.com conveyed that “Veit projects the Union as the preeminent soccer brand for not only MLS but the entire hemisphere” (Goal.com, 2009)

It appears that Veit has endeavored to take his organization in a direction that is unique to the mission and goals of the Philadelphia Union. In a recent interview with The News Tribune, Veit stated, “As much as we admire a lot of the different teams [including Seattle], we really didn’t use anybody as a model” (thenewstribune.com, 2010). However, further evidence suggests that Veit’s leadership has also been affected by the existence of institutional forces in the environment. A few weeks later, in referring to his counterpart at Toronto FC, Veit stated, “Every decision I make now, I say ‘what would Paul Beirne do?’” (rednationonline.com, 2010). Such a statement suggests that the awareness of success by other organizations has an influence on how managers lead their own companies. While, managers may strive to lead their respective organizations towards their own vision of the future, it seems that isomorphic forces may also play a role in leading organizations towards a state of commonality.

Much of the institutional theory literature has looked at isomorphic forces from the organizational and ecological levels (Meyers & Rowan, 1977; DiMaggio & Powell, 1983; Scott, 2008). In the field of sports, recent studies have also focused on the organizational and ecological levels (Cunningham & Ashley, 2001; Danisman, Hinings, & Slack, 2004). With such studies taking a broader approach to institutional theory, there is a need to give attention to the social psychological level of analysis. While it has been implicitly recognized that individuals respond differently to isomorphic pressures (Suchman, 1995; Danisman, Hinings, & Slack 2004), there has not been sufficient consideration of how these isomorphic forces may influence the perceptions of individuals within organizations. Particularly, how leadership may be affected by isomorphism is an area that has not yet been specifically explored.

This paper explores the relationship between leadership and isomorphism and seeks to learn more about the effect this
relationship may have on developing culture in new organizations. The purpose of this research is to answer the following two research questions. Firstly, what is the nature of the relationship between perceived isomorphism and leader behavior in a new organization? Secondly, to what extent will the interaction between leadership and isomorphism influence the emergent organizational culture in a new organization? This case study of the Philadelphia Union, within the context of Major League Soccer, offers a unique opportunity to study the initial phases of an organization within a comparison-rich environment.

This research is currently in the data collection stages. Qualitative methodology using semi-structured interviews will be utilized for the purpose of gaining an in-depth understanding of both leader and follower perceptions. A grounded theory approach will be taken in order to focus on the interpretive process of analyzing the construction of meanings used by social actors (Glaser & Strauss 1967).

There are potential implications for this research both theoretically and practically. The combination of two different streams of literature, leadership and isomorphism, could help us gain important insight into how leaders exist within the framework of their greater environment. Furthermore, this research could impact both policy development protocol and manager comprehension of the intricacies involved in creating an organization.