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## **“UNDERSTANDING DEFIANT ORGANIZATIONAL RESPONSES TO CONFLICTING INSTITUTIONAL DEMANDS”**

### **Motivation and Theoretical Background**

How and why organizations defy one set of institutional demands while clinging onto another? This question arises frequently when non-market organizations face pressures to marketize in order to sustain themselves (Smith & Besharov, 2019). In such cases, organizations often become arenas for competing infrastructural pressures, as different cultural values, practices, and rules come into blows with each other (Marquis & Lounsbury, 2007). The institutional literature on organizational responses to conflicting pressures has identified defiance as a strategy that refers to the “explicit rejection of at least one of the institutional demands” (Pache & Santos, 2021, p. 650). This suggests that understanding the organizational processes leading to the rejection of an institutional demand in favor of another demand can advance our knowledge of defiant strategies, and provide a more nuanced approach to management amidst conflicting pressures.

Yet, we know very little about the actual practices in organizations that lead to the defiant responses. From recent research, we know that when marketization is deemed to threaten essential cultural values, resistance groups will emerge to prevent market participation, as has been found in the ‘failed markets’ of childcare in the Netherlands (Vermeulen, Ansari & Lounsbury, 2016) and religious cloisters in China (Yue, Wang & Yang, 2019). Resistance is particularly likely to occur when organizations of high moral value to their employees and important stakeholders are beset with the introduction of business missions (Turco, 2012). Despite these principal advances, we know very little about how organizations defy marketization, especially on moral grounds. To boot, key scholars have recently pointed out an absence of contextual explanations of marketization failures (Eklund et al.,

2020). Aiming to fill this gap in knowledge, my research seeks to uncover organizational defiance as a response to the institutional pressure of marketization.

### **Research Context and Methodology**

My empirical research focuses on the Valamo monastery's management of conflicting pressures during the first years of the 20<sup>th</sup> century. My main interest is on the controversies associated with Valamo's leader during 1901-1903, hegumen Gabriel. To capitalize on the monastery's exceptional legal status in Finland as a free port, Gabriel had initiated a shipdock building project. This marketization process, however, was thwarted due to the elder monks' and Archbishop of Finland's joint disapproval of the project. As a result, hegumen Gabriel was expelled from the monastery and the project was terminated.

Through in-depth microhistorical research (Ginzburg, 1993; Vaara & Lamberg, 2016), I have been able to find that the hegumen Gabriel's marketization efforts came into direct conflict with the monastery's institutional infrastructure. Simply, the monastery at this time represented a duality between Orthodox monasticism's religious and cultural meanings and opportunities to monetize its logistically advantageous position in the regional market. On the one hand, there was the pressure to stay true to the heritage of hermetic monasticism; on the other, to contribute to regional economic development as well as increase the influence of Russian Orthodox culture through marketization. Long story short, the monastery's elder monks and Archbishop of Finland coalitioned to resist marketization. My research seeks to uncover how this coalition (which was formally forbidden due to the hegumen holding absolute power within the monastery) was possible and how it resulted in the strategic response of defiance.

The research is at a stage in which data collection, which has taken place in the monastery's historical archives in Heinävesi, Finland during 2018-2020, is complete. In addition to taking advantage of plentiful secondary data such as regional and church histories, commercially

published memoirs, letters, stories, photographs, yearbooks, and biographies, I have amassed over 400 pages of primary data in the form of letter correspondences, diaries, economic transactions, receipts, acts, accounts, registers, and inspection reports. Currently, I am engaged finalizing the literature review.

### **Schedule and Budget**

I am applying from the KAUTE Foundation a full-time personal working grant for 12 months, in total 28.000 euro. The period applied for is from August 2022 to July 2023.

Until July 2022, I am funded by research grants from the Yrjö Uitto Foundation, Paulo Foundation, and the Alfred Kordelin Foundation. During this time, I will finalize for publication two scientific articles, that have recently received 'revise and resubmit' decisions from the top-management journals 'Organization Theory' and 'Business History' (AJG\*4).

An additional grant of 28.000 euro from the KAUTE Foundation would enable me to proceed to analytically integrate the data into and expand on the theoretical framework during August 2022-December 2022, and to write a first complete manuscript by February 2023. After carefully reviewing the manuscript with colleagues at Aalto University, I expect to submit a full scientific manuscript to the world-leading management journal 'Administrative Science Quarterly' (FT50/AJG\*4) in July 2023.

Importantly, my doctoral thesis entitled "Metaentrepreneurship" has been compiled and the two pre-examiners have recommended the thesis to be accepted for public presentation. The defense is scheduled for spring 2022 (permission granted 25.1.2022).

The grant applied for here is intended for launching my postdoctoral career in the research area of entrepreneurship. The Department of Management at Aalto University School of Business will remain my academic host.

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