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Sub-theme 22: Institutional work: Understanding how actors create,  
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**Contesting institutions across borders:  
The case of diversity management in a European branch  
of a U. S. multinational**

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The paper investigates the contested understanding of diversity and diversity management at CarCo, the Belgian subsidiary of a North American automobile company from a critical discursive perspective on institutionalization. It aims to make a contribution to the neo-institutional literature by analyzing how different actors discursively engage with competing institutional pressures in distinct ways, depending on their own position and power within an organization. The key role of language in understanding institutional dynamics is today widely acknowledged (Jepperson, 1991; Phillips, Lawrence & Hardy, 2004; Suddaby & Greenwood, 2005; Zilber, 2002, 2007). While prior literature has often studied competing institutional logics *over* time to understand organizational change (Brint & Karabel, 1991; Covaleski & Dirsmith, 1988; Oakes, Townley & Cooper, 1998; Suddaby & Greenwood, 2005), we focus on the dynamics of competing institutional logics at a *particular moment* in time *within* an organization (cf. Suddaby et al., 2007). The study further contributes to the diversity literature by illuminating the tensions emerging from the application of American notions of diversity and diversity management policies and practices to other countries, an important yet largely understudied topic (Boxenbaum, 2006; Jones, Pringle & Shepherd, 2000; Prasad, Pringle & Konrad, 2006).

We use rhetoric analysis to analyze the micro-dynamics of language in the construction of diversity and diversity management by four groups of actors within the Belgian subsidiary: the company's HR director and the HR manager, line managers, blue-collar workers, and trade union representatives. As institutional entrepreneurs, these actors are not passive receptacles of institutional pressures but rather actively contribute, through their discursive acts, to maintaining and/or (partially) disrupting the existing, discursively embedded institutional order. We show that their struggle over the meanings of what diversity is and how it should be managed reflects distinct institutional pressures at the local level of the subsidiary and of the mother company (i.e. the different legal frameworks, relations with the community, etc.) (cf. Meyer & Rowan, 1977; Hoffman, 1991); the unequal power relations between the European branch and the U. S. mother company; and the specific position of actors both within the European branch and relative to the U.S. mother company. The analysis is structured around three research questions:

- 1) How do different actors within the organization construct diversity and diversity management?
- 2) How do competing institutional pressures shape these constructions of diversity and diversity management? and
- 3) How do the different constructions of diversity and diversity management by different actors reflect their positions within the existing power relations?

Rhetoric, 'the art of persuasion through argumentation' (Warnick 2000), is a suitable approach to analyze the meanings emerging from organizational actors' engagement with conflicting institutional pressures for three reasons. First, rhetoric conceives speakers as active and creative, yet not unbounded, 'makers' of discourse, similarly to how neo-institutional theory conceives institutional entrepreneurs. Specifically, speakers' relationship with the audience is mediated by the discursive context they share. In text, the speaker produces a local, unique discourse, what Fairclough (1992) calls a 'discursive event. He or she does so by (i) drawing from shared, pre-existing, culturally and historically situated grand Discourses in an intertextual way (Fairclough 1989), and (ii) selecting certain rhetorical schemes, or frames minimally connecting ideas or terms in a sketchy to-be-filled-in manner (Warnick 2000). In order to be persuasive, he or she needs to select grand Discourses and rhetorical schemes that are familiar to the audience, since argumentations derive their persuasiveness from their recognizability (Warnick and Kline 1992). Yet through a unique combination of rhetorical schemes and grand Discourses the speaker creates room for either reaffirming or contesting the discursive/institutional order (cf. Zanoni & Janssens, 2005). This conceptualization of speakers is in line with the recent emphasis on the key role of institutional entrepreneurs' 'embedded agency' in institutionalization processes (Garud, Hardy & Maguire, 2007; Seo & Creed, 2002).

Second, rhetoric illuminates the power dimension of meaning-making through language because it stresses the constraints posed by existing dominant Discourses and rhetorical schemes to speakers building 'legitimate' arguments. Yet again, speakers do retain the ability to combine Discourses and schemes in new ways, turning constraints into discursive resources to persuade and build consensus around new meanings. Because rhetoric theorizes texts as loci where existing logics are (re)produced or contested by speakers, it is in line with the emerging understanding of institutionalization as a power-

laden process within contested fields (Levy & Scully, 2007; Suddaby & Greenwood, 2005; Zilber, 2006).

Last but not least, at a methodological level, rhetoric provides a comprehensive set of tools to systematically analyze the micro-dynamics of language (cf. Perelman and Oblrechts-Tyteca 1969; Warnick, 2000; Warnick and Kline 1992). Such in-depth analysis is important if we recognize the need ‘to attend not only to the content of text and their effects in the field, but also to the specific discursive medium and the opportunities it opens for institutional entrepreneurship’ (Zilber, 2007: 1036).

The study is based on qualitative data gathered through participant observation, 60 semi-structured interviews, company documents (newsletters, trade union pamphlets, factory plans, safety regulations, training manuals, evaluation forms, etc.), newspaper articles, and 150 photographs. From April to June 2003, the first author spent three to four days a week in the factory, following the work schedule of one day shift of the assembly hall, Monday to Friday, from 6 am to 2 pm or from 2 pm to 10 pm on the shop floor on alternate weeks. She had free access to the factory premises, made lots informal contacts, and became relatively familiar with the workers and team leaders of various teams and all hall supervisors and managers.

A preliminary analysis of the findings indicate that constructions of diversity and diversity management by different institutional actors:

- 1) are distinct, as they make use of different types rhetorical schemes and draw from different grand Discourses;
- 2) highly depend to actors’ position within the organization determining both the degree and the types of institutional pressures to which they are exposed but also internal efficiency demands; and
- 3) vary in the degree to which they are coherent or rather reflect tensions and ambiguity between various institutional pressures.

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