

The Neglected Role of Power and Politics in the Path Creation Process

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Introduction

Path creation refers to the way in which an actor mindfully deviates from existing paths of practices and resources in order to produce a new path (Garud/Karnøe 2001). Path creation offers a distinctively processual perspective for studying innovations be it new technologies or institutions. It has contributed significantly to the understanding of dynamic evolutions. We know less, however, about the underlying mechanisms within the path creation process. Most organization research refers to the concept in a rather loose or metaphorical way without any clear-cut theoretical framework. More finely grained conceptualizations of path creation are thus desirable (Sydow/Schreyögg/Koch 2009). While the idea of path creation introduced the notion of agency to path dependency theories, a conspicuously missing element in the conceptualization of path creation is power politics. Without power human action is inconceivable. Power pervades human action und organizations are political arenas (Demil/Bensédrine 2005; Garud et al. 2007; Mumby 1987). Yet, surprisingly the aspects of power and politics have not been discussed explicitly in the path creation literature. Path creation research so far tends to underestimate the significance of organizational power and politics. The incorporation of a systematic place for power politics in the theory of path creation does not weaken the main theoretical trait of path creation theory, which is to provide models for empirical research that do not just focus on historicity. Instead, the suggested systematic incorporation of power politics makes it possible to understand the role of agency within the path creation framework. If we provide a systematic space for strategic agency in the development of paths as path creation does, the main question of investigation becomes: How do actors create a path despite the fact that they are locked-in in already existing paths? In this paper, the notion of power is viewed as central key to an answer.

The importance of this point becomes obvious if one considers that organizations do not act as single entity upon their environment but it is the interest-driven behavior of agents that lies behind the behavior of organizations (Pettigrew 1977; Pfeffer/Salancik 1978). A primary contribution of this paper is therefore to portray path creation as highly contested and tightly intertwined with the political pursuit of different interests. Therefore, the relationship between power and path creation represents a point which needs further clarification. Notion of power and politics endure a secondary status in path creation research and they are not genuinely integrated so far.

Thus, the aim of the paper is to contribute to the development of such a theoretical framework that includes political aspects. Based on the modified path creation model by Sydow et al. (2009) an attempt to integrate political aspects into the concept of path creation is carried out. Thereby, it is intended to contribute to the understanding of path creation in and around organizations by conceptualizing path creation as recursively linked to power. More specifically, I offer a theoretical concept that addresses aspects of this question by mainly relying on the notion of organizational power. The thesis I want to bring forward is that, on the one hand, power is a precondition for strategic agency and thus, path creation. Institutionalized structures representing specific power distributions enable to carry out path creation that is departing from institutionalized practices. On the other, it is by the process path creation that strategic actors can change existing power distributions. I argue that we can analyze processes of path creation as a dynamic model which takes power as its core parameter.

Consequently, power is viewed as crucial driver in the creation of paths in organizational evolution, while path creation may be used as an approach to comprehend the establishment and maintenance of power in organizations. With this, the paper might add to understanding how paths develop and how the relationship between power politics and path trajectories is configured. Hence, it presents an effort to clarify and explore the linkage between political games and path-dependent developments.

The remainder of the paper is organized as follows: The first section characterizes the notion of path dependence and path creation. In the following section, to anchor the discussion of power and politics, I delineate different approaches to power and highlight the value of considering synthetic concepts of organizational power. From the background of the critical discussion of these conceptualizations, I will develop a model of the relationship between power and path creation. Different case studies from various industries illustrate the arguments. I analyze different industry examples from the perspective I developed. In conclusion, the discussion section reflects on the implications of the paper for research.

Path dependence and path creation

The study of change in and around organizations often includes investigating how innovations develop and diffuse. Contrary to classical economic theory, it has been demonstrated that, if several innovations compete for the same market, the one diffusing the fastest need not be the

most effective or efficient (e.g. David 1985, Arthur 1989). The resulting allocation of resources between competing innovations may neither be optimal, nor may the process of allocation be reversible, due to path dependence (Garud/Karnøe 2001). The concept of path dependence emphasizes the importance of past events for future actions, in that the realm of possibilities for current and future decisions is restricted by decisions taken in the past. This leads to outcomes which are nonpredictable, nonergodic, inflexible, and potentially inefficient in nature (Sydow et al. 2009).

Path-dependent processes are governed by four principles: historicity, self-reinforcement, momentum, and lock-in. Processes of selection are subject to *historicity*, being neither completely random nor completely deterministic. More specifically, such processes are nonergodic, i.e. they have more than one possible outcome. Small events occurring in the course of history have significant influence on path development, making the eventual outcome impossible to predict – at least in early stages of development. Perhaps most importantly, several *self-reinforcing processes* gradually narrow the range of possible outcomes, moving from initial flexibility to final rigidity (Sydow et al. 2009). Coordination effects increasingly cause actors to adopt specific rules depending on the current number of adopters due to reduced uncertainty in interaction. Complementarity effects render the combined use of routines increasingly attractive through synergies. Learning effects reduce the cost of performing a certain operation by making performance faster, more reliable, and less error-prone, thereby lowering the probability of switching to different routines. Adaptive expectation effects cause actors to adjust their choices according to what they expect others to choose, creating a self-fulfilling prophecy. Thus, increasing dominance of one particular innovation creates *momentum* through expectations of continuing dominance in the future. Finally, due to increasing returns and momentum, the path of development is finally *locked in* and becomes irreversible since no alternatives remain viable.

Based on these underlying principles, the constitution process of an institutional path may be divided into three phases (Sydow et al. 2009). During the *pre-formation phase* (Phase 1), no paths and little rigidities are existent. However, the realm of possibility is not completely unlimited, since decisions are never free from historical contingency. Although at this point, there is no imperative as to how the path is going to develop, at least some weak restrictions have been imprinted on the organization. Within this environment, the decisions shaping the future are taken. These are conceptualized as small events, each entailing little change, but sequentially determining the final outcome. It should be noted that, while the model of path dependence stresses the cumulative nature of decisions in departing from neoclassical

assumptions, this still allows for single decisions to be more influential than others. It is not until later in the path formation process that the outcome becomes determined.

The beginning of the *path formation phase* (Phase 2) is marked by a first-time ‘critical juncture’, i.e. a decision triggering self-reinforcing processes. As outlined above, a variety of effects may cause an increase in one variable (e.g. adoption of a rule or technology) to lead to a further increase in that variable. Corresponding to this development, the decision taken becomes more and more irreversible, while remaining nonergodic in principle. Deviating choices are still possible, yet increasingly difficult. Therefore, the critical juncture initiating path formation can only be identified after the fact.

At the transition to the *path dependence phase* (Phase 3), self-reinforcement has created a core action pattern underlying all decisions made within the organization. Yet, while this deeply embedded structure constrains action, there is still some leeway left for variation. Members of the organization, when repeating the core action pattern, may introduce slight adaptations based on their individual interpretation. Overall, however, the path becomes rigidified and alternative solutions are crowded out.

The model outlined above somewhat downplays the role of individual actors within organizations. Other authors have placed more emphasis on how organizational paths may be shaped, and even created, through individual and collective action. For instance, focusing on entrepreneurs, Garud and Karnøe (2001) proposed that actors may “mindfully deviate” from existing structures. Accordingly, paths are not merely identifiable after the fact, but are deliberately initiated by agents attempting to shape the social, institutional, and technological structures surrounding them. Corresponding to the principles governing path dependence, creating paths involves generating momentum by garnering support from different stakeholders. This may enable the entrepreneur to create virtuous cycles of self-reinforcement through co-alignment of stakeholders’ attributions to the focal actions. In this sense, some actors may play a crucial role in the process of path creation. At the same time, mobilizing collective efforts is essential in creating a new path. In terms of the model summarized above, actors may intentionally and collectively break the current institutional path, opening up the corridor of possibility for the creation of a new path by generating momentum. Thus, path creation is a social process forming stabilizing patterns which guide social action and exclude alternative activities. This concept is useful for analyzing processes of institutionalization, which are shaped by actors commanding different degrees of power (DiMaggio 1988). For instance, strategy formulation in organizations can be viewed as a political process (Pettigrew 1977).

Approaches to Understanding Power in Organizations

Power, like many concepts, is used in research in variety of ways and with different perspectives. Initially, organizational power models could be clearly differentiated into more actor-centered and rather structure-oriented approaches. Later on, research highlighted the interplay of different forms of power. These approaches represented a more encompassing and synthetic view on power.

In *actor-centered approaches* an interaction perspective is taken. Power is viewed as the ability of social actors to influence each other in pursuit of their individual goals (Boonstra/Gravenhorst 1998). Their power stems from specific sources, such as available resources, knowledge, privileges and personal traits. In order to dispose over such sources, actors employ political tactics and strategies, e.g. persuasion, manipulation and negotiation (Mintzberg 1983). From an actor-centered perspective, power plays are regarded as essential in organizational decision processes and myths of rationality are questioned. Political processes consist of conflicts of differing interests of conscious individuals, from which decisions emerge through negotiations (Fincham 1992).

Structure-centered approaches to power tend not to view power as a phenomenon tied to interpersonal relationships, but as an inherent feature of social systems and structures. In structure-centered concepts, the focus lies on the bases of power associated with the structure and systems of an organization, making political processes more visible and less emergent (Brass 1984; Hickson et al. 1971). From a structure-centered perspective, a less individualistic stance is taken: there exists a general consensus among actors within an organization, as the role of conflicting individual interests is downplayed.

Despite the fact that the field of organizational power is studied with a variety of foci, attempts have been made to integrate the different perspectives and approaches. These attempts can be characterized as *synthetic approaches*. Through synthetic concepts of power it is attempted to overcome the dichotomy between actor-centered and structure-centered approaches in that individual actors are regarded as potentially powerful, yet subject to structural restrictions. In turn, structures and systems are conceptualized as less deterministic, taking account of individual actions and responsibilities. Thus, in synthetic models, the interdependence of action and structure is pointed out. These models call attention to the power dynamics and the co-existence of different forms of power.

For instance, according to Crozier and Friedberg (1980), action results from individual strategies. The situational context restricts and channels the choice of the individuals

involved, yet it leaves several options from which an optimum may be selected. The ability to employ such choice, along with resources, against the interests of other actors constitutes power. Power relations and their development are constrained by the structure of the social system. Analyzing power relations therefore requires taking into account both individual intentions as well as structural forces. Cooperation between actors, which is critical to organizational survival, is ensured through the introduction of rules determining the actors' autonomy and, thus, contributing to the continuity of the system.

Giddens (1984) focused on the duality of action and structure by pointing out that social structures are neither independent of active construction nor of previously existent structures. Accordingly, action and structure form a recursive relationship, where structures both enable and restrict action, which is a continuous process based on conscience and reflection. Actors revert to rules and resources when acting, and thereby contribute to the reproduction to those structures. Rules and resources are both a medium and a result of action. Power, specifically, is tied to relational interaction around asymmetrically distributed resources, which result from structural hegemony.

Clegg (1989) describes power as forming three interdependent circuits. The episodic circuit operates on the micro-level of every-day interaction and reflects interpersonal episodes in which actors resolve conflicts, communicate, and express emotions. The circuit of social integration consists of interpretative rules governing social relations and alliances. On this meso-level between individual and organization, power is legitimated. The circuit of systemic integration regulates the institutionalization of practices and techniques on a macro-level, between the organization and its environment. Junctures of the three circuits form so-called obligatory passage points, where one actor causes another to act in a certain manner (episodic), controls frames of reference (social), and employs techniques of disciplinary action (systemic).

For the purposes of this paper, I mainly follow the conceptualization by Lawrence et al. (2005). They subsume the different power definitions and distinguish between episodic and systemic forms of power. This distinction emphasizes that different forms of power can exist simultaneously: namely, episodic and systemic power. This distinction between episodic and systemic forms of power is seen as substantial element for understanding how hegemony can be maintained in and around organizations. *Episodic power* refers to strategic acts initiated by self-interested individuals and corresponds largely to the power concept of actor-centered approaches. In actor-centered approaches an interaction perspective is taken, power is viewed as the ability of social actors to influence each other in pursuit of their individual goals. By

contrast, *systemic forms* of power correspond to the power notion of structure-centered approaches to power. In structure-centered approaches power is not regarded as a phenomenon tied to interpersonal relationships, but as an inherent feature of social systems and structures (Boonstra/Gravenhorst 1998). This distinction between episodic and systemic power is seen as substantial for an integration of power political aspects into the model of path creation.

A recursive model of path creation and power

The model of path creation developed by Sydow, Schreyögg, and Koch (2009) serves here as point of departure. Their model provides a rich, coherent framework that delineates how paths – technological, organizational or institutional – can be created. The introduction of strategically motivated actors in path theory makes it possible to reconceptualize paths as deliberately created and not just subject to random historicity. The notion of strategic agency points to the proactive character of path evolution, yet, it remains unclear, as how these entrepreneurial actors deviate from existing paths that are conceived as so rigid and unmodifiable. How can one view actors as being locked-in and simultaneously provide space at least to selectively overcome the restrictedness?

A realistic conceptualization of path creation needs to capture the social mechanisms which make organizational decisions effective. Only then, one can arrive at a non-deterministic understanding of the relationship between strategic agency and path development which avoids characterizing strategic actors as omnipotent. One crucial factor driving actions in organizations is power. Strategies to deviate from existing paths are only viable if the parties interested in have the power. Power is therefore an important element in processes of path creation. It is argued that different modes of power are prevalent in specific phases of the path creation process. In figure 1 such an integrated perspective is visualized: The phases of path creation are linked to the exertion of different types of power. This model elucidates how actors attempt to create paths through their daily interactions. This view represents the path creation process as a dynamic, contested and politically charged process. It underlines the fact that individuals have different interests and cannot generate momentum in a purely instrumental fashion.

In early stage of decision processes, when the corridor of possibility is relatively wide, actors can shape the path of development by invoking episodic power. They may carry out single

strategically motivated political acts and thereby steer attention away from established practices, enabling a de-locking from old paths. This phase is where power plays determine which one of several competing ideas will be collectively implemented. Where interests are not congruent, actors engage in power plays in an attempt to make their interest resonate and mobilize action in favor. These actions embody more or less skillful efforts to establish the legitimacy of their interests by drawing on episodic power. In Phase 2 of path creation, the further development of the path is formed by institutionalizing individual acts. The goal is to create a context for action which is legitimated beyond the individual power bases dominating Phase 1, by invoking transcendent arguments such as loyalty and dedication. Episodic power is employed to intensify systemic power. Since, however, the actor using episodic power must rely on at least some degree of systemic power, the process of path shaping, in itself, is recursive, and involves both types. In this phase the two different power modes might be very difficult to separate and they most certainly interact in many situations. The system oscillates between episodic and systemic power. It leads to a situation where the path heads tunnel-like to a narrower decisional scope. Finally, after lock-in has been achieved, systemic power dominates Phase 3, path dependence. The introduction of a new system of organizational action has structurally fixed new power relations, which were transformed from individual interests to systemic rationalities through institutionalization. Thus, over the course of a path's development, episodic power is gradually transformed into systemic power.

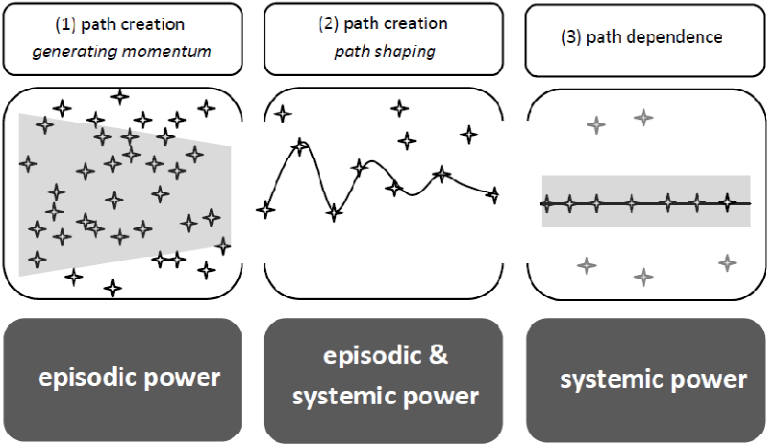


Figure 1: A path creation model integrating organizational power (based on Sydow et al. 2009)

Hence, the emergence of new technologies or organizational patterns can be traced back to the conjuncture of individual power strategies (Küpper/Felsch 2000). In other words, power and politics provide the social energy that enables path creation. Through path creation contexts of social interaction arise which in turn provide the background for the development of power structures. By this means, existing power structures might be consolidated or new power structures emerge. In this sense, the relationship between path creation and power can be seen as recursive in that it is a process that is applied to its own results in an iterative manner. The concept of path creation offers a differentiated perspective of power institutionalization, while power political processes can be regarded as drivers of path creation. Thus, a power political perspective might contribute to a reflexive understanding of path creation. The following figure illustrates the proposed relationship between power and path creation:

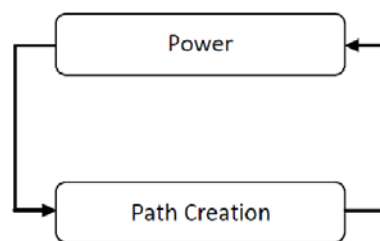


Figure 2: The recursive relationship between path creation and power

On one hand, power can be regarded as an instrument for path creation whilst path creation can function as instrument for the institutionalization of power. To demonstrate this notion, I would like to point to different examples from the industry. Although power and path creation are conceptualized as a reciprocal process of constitution a distinction between the two causal directions is made in the following for the ease of analysis and in the interest of practicality. This approach is broadly informed by the methodological implications of Giddens' structuration theory. Giddens proposes the concept of "methodological bracketing". This means that researchers can focus on one aspect while putting the rest on hold. In particular, Giddens suggests a differentiation between a *strategic conduct analysis* and an *institutional analysis*. Strategic conduct analysis implies typically a focus on the behavior of strategic actors in a specific situation whereas institutional analysis embraces a larger horizon emphasizing the significance of the institutional context. First, the role of power as instrument to initiate the process of path creation is explored. Hereafter, a discussion with an emphasis on conceiving path creation as a medium to institutionalize power is carried out. An endeavor to unveil how power can be institutionalized through a path creation process is made. Thus,

insights into the institutionalization of power and the role of power as driver for processes of institutionalization are offered. Path creation thereby serves as a model for the analysis of power institutionalization processes.

Power as an instrument for path creation

Power relations can be interpreted as drivers of path creation. This implies that without actors pursuing their own interests through power plays, the creation of a path would be impossible. Informed by the micro-political approach developed by Crozier and Friedberg (1980) power is viewed as instrument for path creation. Analogous to the concept put forward by Crozier and Friedberg it is assumed that power always takes place in a structured context. Micro-politics is seen as embedded in the duality of structure. However, the structure of the interaction context does not form the core theme of our argument. Rather, the focus will be on the interactions of the involved actors in which they draw on their sources of power. To illustrate this, we will examine case studies from the industry.

The role of power in path creation may be illustrated by example of the victory of the VHS video format over its rival technology Betamax (Cusumano et al. 1992). JVC, the corporation promoting VHS, entered alliances with other companies very early in order to penetrate the market and institutionalize its product. While Sony, producer of Betamax, relied solely on technological superiority and its individual power, JVC recognized the importance of other actors and took advantage of political processes by building a powerful coalition along the value chain. Moreover, JVC explicitly aimed at institutionalizing a norm of cooperation, acquiring new partners by pointing to already successful alliances, whereas Sony continued to compete by itself. In hindsight, however, managers at Sony have conceded that the company failed to garner necessary support for its technology. This case shows how the strategic use of power can help establish a standard through the generation of momentum, when several competitive alternatives exist. Indeed, power may even overcompensate for technological or economic disadvantages.

At the same time power dynamics may also inhibit a process of path creation. This may be illustrated by the iconic example of the QWERTY keyboard. As it is generally known, alternatives to the technologically inefficient QWERTY standard existed. For example, based on scientific studies of time and motion Alfred Dvorak developed a new keyboard arrangement that enabled users to work faster, more precisely (50 percent less errors) and with less physical strain. In this way, productivity gains from 35 up to 100 percent could be

achieved. Moreover, Dvorak proved that in comparison with the QWERTY keyboard typists needed only a third of the time in order to learn typing on the Dvorak keyboard. Yet, why is the technologically more efficient solution not in use nowadays? Beyond the typical reasoning of the path dependency theory, there might exist different, rather power-political motives. Possibly, the dominance of the QWERTY keyboard might be ascribed to producers of typewriters who had a keen financial interest to retain the traditional keyboard layout. During the 1930s when Dvorak introduced his invention there were only few incentives to shift to a new standard that would increase the productivity of the typists and thus, lead to a sales slowdown. Additionally, the typewriter producers would have had to pay license fees for Dvorak's patented invention.

Rejected by the producers Dvorak turned to the world championships of typewriting. Through this, he hoped to gain the public attention for his invention. Indeed, typists using the Dvorak keyboard won the competitions. However, the competitions were sponsored by the producers and they took action to hinder any public acknowledgement. They only published the names of the winning typists not the machines that they were using. Attempts to obtain a purchase order by the government were also doomed to fail. Although official tests by the US navy and General Services Administration demonstrated the superiority of Dvorak's keyboard layout, both organizations pronounced against an introduction. They argued that cost of replacing the obsolete appliances and retraining the typists would exceed the benefits through the productivity gains. This line of argument was surprising as tests showed productivity increases of over 74 percent that would have been paid itself off within ten days. As ultimate disguising tactic Frost and Egri (1991) interpret the fact that the US navy kept the test results secret.

Considering these different political strategies brought into action in this case path breaking and subsequent path creation rarely take place in an apolitical space but in a political arena. Dvorak failed to create a new path because he did not possess the required episodic power. Interest groups seeing their interest endangered are able to circumvent a path creation that would lead to a more efficient solution. Both case studies described entailed a process involving a necessity to interact as political actors, to draw on power sources and to build coalitions – in other words an inherently political process. Obviously, when creating successfully a new path, the political dimension cannot be neglected. Power can be used as a driver for path creation and can ignite the process of path creation.

Path creation as an instrument for the institutionalization of power

The active role of organizations in the constitution of their institutional environment has been highlighted in some theoretical (Hillman/Hitt 1999; Oliver 1991) and empirical studies (e.g. Adams/Brock 1986; Leblebici et al. 1982). Yet, in general neoclassical assumptions of the market dominated and as Demsetz (1982, p. 6) stated: “The legal system and the government were relegated to the distant background”. Ortmann and Zimmer (2001) named the neglected relationship between strategic management and their institutional environment “strategic institutionalization” and emphasized its importance. However, they did not further conceptualize it. In this paper, I aim to close this gap. For this purpose I employ the concept of path creation which has been developed to overcome certain limitations in the theory of path dependence. Path creation can be seen as a way to institutionalize power.

Structural innovations involve the reinforcement or shifting of power relations within an organization. Standards set through the use of episodic power are sources of power because they prescribe specific actions and processes (Backhouse et al. 2006). The institutionalization of a standard through path creation is accompanied by the institutionalization of a source of power. For instance, Backhouse et al. (2006) studied standard-setting processes in the case of an international IT security standard (BS7799 resp. ISO/IEC 17799). A computer virus revealed the weaknesses of the British IT systems. Thus, an exogenous contingency triggers changes in the organizational field. However, the way the individual actors react to this contingency is of crucial significance. Strategic action is influenced by how managers interpret these changes and their perceptions might differ greatly (Daft/Weick 1984). Thus, in phase 1 of the path creation process overt power plays take place (episodic power) in which actors make their view resonate and mobilize action in their favor. Different governmental institutions in Great Britain develop different standards, finally a compromise is negotiated and based on this draft further modifications are conducted. The legitimization of the IT standard is achieved by the involvement of IT managers from large companies (such as British Telecommunications, Marks and Spencer, Shell International Petroleum, Unilever). By including practitioners the proposed IT standard is more socially accepted and integrated in so far as the discrepancy between the implementation of the standard and the needs in practice are minimized. Reducing the divergence between the requirements of the standards and the needs of the practitioners represented a crucial point as previous attempts to standardize failed as they were perceived as too abstract and lacking in practical relevance. The practices A demanded from B (episodic power) gain ultimate stability through the circuits

of social and systemic integration which correspond to an oscillation between episodic and systemic power. That is, in the second phase (path shaping) power is enacted on the episodic as well as on the systemic level. Social integration is attained by changing the patterns of interpretations or integrating the new path into the existing value and norm system: Security experts considered the standard valuable and useful. Consequently, the standard was also supported by the government. Systemic integration was realized by creating a fit between the respective innovation and already existing labor practices. In this case, the perceived practical relevance forms the vital attribute and determines the further course of the path creation process. The standard becomes an obligatory passage point. Institutionalized as obligatory passage point, B reconstitutes the obligatory passage point through his actions and thus, the standard is a source of power. It has become systemic (Phase 3). The standard shapes the labor practices and one can refer to the standard to enforce certain practices. In this case study, the standard was used as an instrument to enforce specific security aspects during outsourcing processes. The IT standard played a vital role to specify security demands during outsourcing negotiations and was employed as basis for auditing the contractors' security management. In this way, large companies were able to institutionalize their power. The IT standard became an obligatory passage point: A demanded from B to adopt the standard if B wanted to maintain business relations with A.

In the case described above governmental institutions initiated path creation and companies were only involved in the course of path creation later on but were able to shape the path for their benefit. However, companies are also able to initiate the process of path creation and employ it deliberately as an instrument to shape their institutional environment and institutionalize their power. For instance, as Stack and Gartland (2005) showed in their study, the two largest members of the US beer brewing industry were able to use their episodic power to create a path towards systemic power in the first half of the 20th century. After the end of Prohibition, these two companies were able to increase their profits at a much greater rate than their smaller competitors, despite the general recession and their relatively unfavorable cost structures. This was accomplished by exerting power on legislation, reaching a legally mandated separation of beer distribution and retailing, which effectively banned local breweries from operating bars. The newly created market level of wholesalers served as an obligatory passage point favoring the large producers and further marginalizing local competitors. The episodic power the two large companies had used to influence regulation had become institutionalized and systemic through path creation.

Concluding remarks

This study responds to recent calls to investigate the path creation more deeply. The aim of this paper was to contribute to the understanding of the relationship between strategic agency and path creation which unfolds around the notion of power. The paper explores the role that power plays in shaping paths. In using power models I focus on the interrelationship between path creation and power. From the examinations of different power models, I have elaborated a model of path creation and power, which elucidates the ways power and path creation are linked. I propose a recursive model of power and path creation in organizations which suggests that path dependence and creation are both medium and result of power and political processes. The integration of power politics into the concept of path creation sheds light on the generation of paths through the interaction and negotiation of conflicting interests. The resulting power-based path creation model shows that path creation is product of a dynamic process of conflicting interests. It is a nonlinear process between actors commanding different degrees of power. Deviation from existing paths requires the use of power and momentum. In turn, path creation processes can result in the intensification of power structures, where actors coordinate their goal-driven activities to shape their environment and institutionalize their power. The concept of path creation offers a structured perspective on the process of power institutionalization, while political processes can be regarded as a driver of path creation.

As an analytical lens through which I conceptualized the relationship of power and path creation I have used Anthony Giddens' theory of structuration that argues for a recursive relationship of agency and structures. This idea has been usefully applied to path creation and power and to analyze the process of path creation. By bringing in theories on organizational power to bear in understanding the process of path creation the focus is moved more towards a micro-level based conceptualization. This micro-level understanding extends path creation theory by taking into account the politically motivated mechanisms of breaking paths and generating critical junctures. Path creation is not solely an instrument to institutionalize trajectories, but are also constrained and enabled by existing power structures.

To summarize, path creation in this paper is considered a process that evolves as a socially constructed process governed by power mechanisms, which implies that path creation takes place along the way in its organizational and social setting in the interaction between different members of those contexts. I draw the conclusion that power plays form the process of path creation, even in those cases where strategies have been analytically and logically outlined in advance. The proposed model opens a way to integrate power more systematically

into path creation theory by demonstrating that strategic agency, politics and path creation are inseparably interwoven.

Primarily, the role of the paper is to sensitize for the political character of path creation and the main aspiration of the argument is to contribute to theory development. However, the model presented can be a useful basis for empirical research as well. I recognize that the theoretical contribution made in this paper remains limited by lack of empirical foundation. Thus, future empirical research might analyze the interest-driven behavior of agents creating a new path more on a micro-level to gain a more comprehensive understanding of the political mechanisms behind the process.

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