Institutional Fields as Arenas of Rhetorical Engagement

Convergence, Conflict, and Divergence Between Competing Logics in the Field of Finance

Just, Sine Nørholm; Dahlman, Sara; Mouton, Nicolaas T.O.

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Abstract: This paper contributes to the theory of rhetorical institutionalism (Green & Li, 2011) by considering the relationship between institutional entrepreneurs and the institutional fields in which they operate as configured by rhetorical strategies. Thus, we posit that the legitimacy of institutional entrepreneurs and institutional fields, respectively, is an inherently rhetorical construct (Suddaby & Greenwood, 2005), whereby rhetorical engagement becomes central to the establishment, maintenance and reform of institutions (Green, Babb & Alpaslan, 2008; Brown, Ainsworth & Grant, 2012). Working with an illustrative case of the Co-operative Bank's financial distress and leadership scandal, we identify three particular strategies of rhetorical engagement with competing institutional logics, which we label convergence, conflict and divergence. Thus, we add to the theory of rhetorical institutionalism by arguing, broadly, that institutional fields are arenas of rhetorical engagement between competing institutional logics and identifying, more specifically, three rhetorical strategies for constituting institutional legitimacy.

Institutional fields as arenas of rhetorical engagement: Convergence, conflict, and divergence between competing logics in the field of finance

Questions of how institutions are established and stabilized as well as changed and even demolished have been central to the field of institutional theory since its inception (David & Bitektine, 2009, p. 163). In discussions of these questions, two issues have emerged as particularly important. First, the role of actors, whether individual or collective, as potential drivers of institutional change, as most poignantly expressed under the label of institutional entrepreneurship (Battilana, Leca & Boxenbaum, 2009; DiMaggio, 1988; Hardy & Maguire, 2017). Second, the status of communication as either incidental or central to institutional developments (Cornelissen et al., 2015; Lammers, 2011; Suddaby, 2011). Advocating a decidedly communication-centric approach, this paper seeks to theorize institutional entrepreneurship as the effect rather than the cause of what we term rhetorical engagement. Whether an actor succeeds in reforming a field, depends on the legitimacy of that actor in relation to the field, and such legitimacy, we argue, is rhetorically constituted.

Thus, our aim is to contribute to the development of rhetorical institutionalism (Green & Li, 2011; see also, Alvesson, 1993) by considering the relationship between institutional entrepreneurs and the institutional fields in which they operate as configured by rhetorical strategies. To this end, we join the move from an institutional theory of

organizational communication, focusing on how institutions and organizations are communicatively aligned (Lammers & Barbour, 2006), to a conceptualization of institutional fields as constellations of organizational actors, patterned by certain logics, and articulated rhetorically (Green, Li & Nohria, 2009). Here, rhetoric emerges as central to the establishment, maintenance and reform of institutions (Brown, Ainsworth & Grant, 2012; Green, Babb & Alpaslan, 2008), and the legitimacy of actors as well as institutions is conceptualized as a rhetorical construct (Suddaby & Greenwood, 2005). Meaning, legitimacy becomes conceptualized as the result of rhetorically articulated power struggles over the positions of various actors within an institutional field. In making this claim, we not only connect issues of legitimacy and power to the institutional entrepreneurship, but also reconceptualize each as rhetorical, relational, and dynamic. More specifically, we identify three strategies of rhetorical engagement with competing institutional logics, which we label convergence, conflict, and divergence. The particular usage and dynamic interrelations of these three strategies, we argue, explains whether potential institutional entrepreneurs, seeking to introduce a new institutional logic, or proponents of the established logic of the field emerge as more legitimate and, hence, more powerful, thereby determining whether institutional change or stability becomes the result of the encounter.

Rhetorical engagement

We establish our position in three steps: first, we present the conceptual framework for addressing issues of institutional stability/reform as processes of rhetorical engagement. Second, we show the applicability of this framework and provide empirical nuance to our claims by means of an illustrative case. Third, we turn to the theoretical discussion, using our empirical findings to substantiate the claim that institutional fields – and the positions of organizational actors within them – are inherently rhetorical arenas.

For the empirical illustration, we cover the process of rhetorical engagement through which the UK-based Co-operative Bank, with its social and ethical profile, moved from being considered a 'full-blown challenger' to mainstream banking (Treanor, 2014) to being posited on the 'brink of collapse' (Boffey & Treanor, 2013). This case, we believe is not only illustrative of our general theoretical points, but also of a constitutive tension between legitimacy and power within the institutional field of finance. In the wake of the financial crisis, the Co-op Bank, along with other organizational alternatives to mainstream finance, enjoyed considerable success as the field experienced a legitimacy crisis and was deemed to be in need of foundational reform (Benedikter, 2011; Engelen et al., 2011; Mirowski, 2013; Weber & Remer (Eds.), 2011). In 2013, however, the Co-op Bank suffered both financial distress and a leadership scandal that left the bank in a completely new position; rather than leading the way to a general reform of the financial sector, it had

to adapt to conventional organizational structures and managerial procedures of the sector. In following this process of the rise and fall of a potential institutional entrepreneur, we show how arguments of the 'ethically good' and the 'economically sound' organization are engaged in a contest of replacing/maintaining the dominant institutional logic within and, hence, mode of legitimation for the institutional field of finance. Or, in more general terms, we demonstrate that arguments, understood as particular articulations of underlying logics, drive struggles between competing institutional logics and explain how specific argumentative formats – or strategies of rhetorical engagement – come to influence the institutional outcome of stability/change.

Unfolding this case of failed institutional entrepreneurship, we hope, will be of empirical interest as well as theoretical import. Ultimately, however, our aim is theoretical, and the third step, and last section, of the article consists in discussing our contribution to the theory of rhetorical institutionalism. We argue, broadly, that institutional fields are arenas of rhetorical engagement between competing institutional logics and identify, more specifically, convergence, conflict, and divergence as distinct strategies of such rhetorical engagement. Institutional entrepreneurship, we conclude, is not a property of specifically positioned actors within a field, but the result of rhetorical struggles; the potential for

change (or lack thereof) that emerges from specific, and specifically articulated, engagements with competing logics.

Institutional logics and rhetorical legitimation

In seeking to conceptualize institutional stability/change in terms of rhetorical engagement with institutional logics, it may be useful to first take a step back and consider the underlying relationship between institutions and communication: do institutions communicate or does communication institutionalize? While it is possible to advocate either option (see e.g. Lammers, 2011; Suddaby, 2011), the chicken-or-egg-like wording of this question indicates that the answer is both; institutional context and communicative processes are co-constitutive (Barley, 2011; Hardy, 2011).

Here, institutional logics play a main role as both the communicative drivers of institutionalization, what we term 'arguments', and the institutionalized underpinnings of communication, which we label 'structure'. Institutional logics only manifest themselves in particular utterances and yet somehow exist independently of their specific articulations. They are the regularities that both support and are supported by communication. As such, institutional logics may be defined loosely as the rationality of fields; the patterns that structure actions and beliefs within given institutional contexts. More specifically, the

theory of institutional logics assumes a constitutive relationship between logic and institution (Lounsbury & Wang, 2020), meaning that at any given time any one institution:

> …has a central logic that guides its organizing principles and provides social actors with vocabularies of motive and a sense of self (i.e. identity). These practices and symbols are available to individuals, groups, and organizations to further elaborate, manipulate, and use to their own advantage (Thornton & Ocasio, 2008, p. 101).

Thus, institutional logics are sources of institutional stability (they define and delimit institutionally recognized identities), but may also provide inspiration for institutional change (they offer opportunities for creative exertion of individual and collective agencies) (Thornton, Jones & Kury, 2005).

Maintaining the symmetry of institution and logic, the duality of stability and change, may be explained by institutional logics' ability to travel from one institutional field to another; when a logic works within its own field, it is a source of institutional stability; when a logic pertaining to one institution is introduced into another field, it may become a source of institutional change (Green, Babb & Alpaslan, 2008).

Notably, the dynamic of stability and change has to do with the legitimacy of the institution; when an institution is perceived to be legitimate so is its dominant logic, and

this logic will be used to maintain the institutional configuration. Conversely, when the legitimacy of an institution is called into question, alternative institutional logics may be enrolled as means of changing – and, hence, re-legitimizing – the institution. Thus, when the legitimacy of an institution is debated, actors who seek to transform the institution are likely to draw on logics that pertain to other fields, whereas supporters of the existing institutional order will rely on the logic that prevails within the institution in question (Harmon, Green & Goodnight, 2015).

Here, it may be necessary, once again, to take a step back to consider, first, what is meant by institutional legitimacy and, second, how such legitimacy relates to rhetoric. In broad terms, legitimacy may be understood as "…a generalized perception or assumption that the actions of an entity are […] appropriate within some socially constructed system" (Suchman, 1995, p. 574). Whereas early studies of legitimacy, thus defined, primarily judge the (il)legitimacy of individual actions against the background of a social system, they neither explain how the system is constructed nor how specific judgements are made. A rhetorical approach offers concrete answers to both these questions by specifying how competing institutional logics are articulated within and across institutional fields so as to (de-)legitimize organizations and individuals operating within an institutional field – and the field as such. The result of such engagement is to either uphold the legitimacy and,

hence, stability of the institution or delegitimize it, thereby necessitating institutional reform. In sum, rhetoric not only operates on the basis of what counts as institutionally legitimate but also has the potential to establish the very measure of legitimacy. Institutional legitimacy, then, is rhetorically constituted.

Although this important institutional function of rhetoric has been observed, it remains understudied in so far as "…the concrete way in which communication strategies both shape and reflect social actors' assumptions of legitimacy remains unspecified" (Harmon, Green and Goodnight, 2015, p. 76). In their path-breaking study, Green, Babb and Alpaslan (2008) distinguish between accounts that emphasize the role of language/rhetoric in maintaining institutional *order* and accounts that emphasize its role in producing institutional *change*:

> *Some institutional accounts emphasize how language shapes institutional order.* These accounts show how similar practices and structures persist because they provide legitimacy and resources when they reflect the discursive myths and institutional logics of the larger social environment (Douglas, 1986; Friedland & Alford, 1991; Meyer & Rowan, 1991; Strang & Meyer, 1994, pp. 100-105). *Other institutional accounts emphasize how language shapes institutional change.* Within this framework, social actors are institutional

entrepreneurs who purposefully use language to shape the institutional logics

that legitimate the social structures and practices that constitute a social field

(Clemens & Cook, 1999; Creed, Scully, & Austin, 2002, pp. 476-481;

DiMaggio, 1988, p. 14; Fligstein, 1997, 2001; Suddaby & Greenwood, 2005)

(p. 41, emphases added).

Building on the distinction between order and change, Harmon, Green and Goodnight

(2015) suggest that strategies of rhetorical legitimation may be divided into two groups:

those of intrafield and interfield rhetoric, respectively. Here, intrafield rhetoric refers to

contestations of and struggles over issues of legitimacy that occur within an established

institutional context whereas interfield rhetoric denotes legitimation processes in which

discussants draw on logics from different institutional fields (Harmon, Green & Goodnight,

2015, p. 81). This distinction, the authors conclude, relates to that of institutional

maintenance versus change in so far as intrafield rhetoric legitimates maintaining a certain

institutional order and interfield rhetoric legitimates institutional reform (Harmon, Green &

Goodnight, 2015, p. 89).

Thus, Harmon, Green and Goodnight (2015) advance the position that rhetoric may

both serve to maintain order and instigate change, thereby bridging the broader divide in

the literature, but also establishing a more specific distinction between (internal) rhetorical

strategies of argumentation that may stabilize an institution and (external) strategies that may bring about change. While these categories provide an apt starting point for the analysis of empirical processes, they also suggest that change is an exogenous affair.

In practice, however, the functions of rhetorical strategies may not be as distinct as the categorization suggests, just as the distinction between institutional 'insides' and 'outsides' may be difficult to maintain (Besharo & Smith, 2014; Pache & Santos, 2010). For example, conflicts between actors who are all institutional 'insiders' often play out in 'external' fora such as the media, understood as sites of struggle over the creation and interpretation of social reality (Gurevitch & Levy, 1985, p. 18; see also, Couldry & Hepp, 2017). Further, organizational representatives operating in one institutional field may seek to influence the institutional field of the media so as to gain strategic advantages within their own field (Pallas & Fredriksson, 2011). Such blending of institutional fields is particularly pervasive in the context of the 'meta-institution' of the media (Jensen, 2013), but it happens in other arenas as well. For example, (semi-)institutionalized meeting spaces of representatives from different fields, like the annual meeting of the World Economic Forum in Davos, are increasingly becoming sites of activist intervention as well as politico-corporate dialogue (Norris, 2009).

This points to the role of the institutional entrepreneur, raising issues of how entrepreneurs are positioned vis-à-vis institutions and how institutional entrepreneurship is exercised. When approached from the perspective of institutional logics, institutional entrepreneurs are defined as actors who seek to change the patterns and assumptions of one institution by drawing on the logics of another (Thornton, Jones & Kury, 2005). Adding detail to this definition, Harmon, Green and Goodnight (2015) suggest that whether or not such entrepreneurs are successful depends on their legitimacy relative to that of the institution. In times of institutional crisis, actors who draw on interfield logics may successfully change and, hence, re-legitimize the institution. If the institution proves to be more legitimate than the actors who seek to change it, intrafield logics may prevail and, hence, stability is ensured.

In establishing this pattern conceptually and illustrating it empirically, Harmon, Green and Goodnight (2015) conceptualize the relationship between communication strategies and institutional legitimacy, but they, like many other institutionalists (Barley, 2011, p. 201), leave the issue of power largely unexplored. In their model, the prevalent strategy of legitimation is explained by the respective legitimacy of actors and institutions, not through the process of legitimation as such, and, hence, without recourse to the positions and relations of power that might influence this process. Indeed, the authors

explicitly recognize this limitation and call for future research on how power and politics might mediate the communicative choices of actors engaged in legitimation contests (Harmon, Green & Goodnight, 2015, p. 91).

Exploring the role of rhetoric in competitions between institutional logics, Green, Babb and Alpaslan (2008) offer one take on how to bring power into institutional analyses. These authors highlight the co-constitutive relationship of both institutions and communication, generally, and legitimacy and rhetoric, more specifically. In particular, they suggest that the rhetorically influential position is also the institutionally powerful one, thereby emphasizing how rhetoric not only reflects, but also produces legitimacy. Here, the question of whether institutional legitimacy produces influential rhetoric or influential rhetoric produces institutional legitimacy becomes an issue of dynamic engagement. Legitimate positions are established in and through rhetorical relations, which are also inherently relations of power. That is, the persuasive potential of an utterance stems both from what is said and the institutional position from which it is said, and the two constitute each other in dynamic interrelations.

Taking our cue from the assertion that institutional legitimacy is a dynamic and emergent outcome of the interrelations between rhetorical strategies and positions of power (Green, Babb & Alpaslan. 2008), we argue that institutional de- and re-legitimation is a

process of rhetorical engagement with competing logics and suggest moving the theoretical (and empirical) focus of rhetorical institutionalism even closer to the rhetorical strategies that make up such competitions. That is, conceptually we emphasize the active role of rhetoric in processes of institutional de- and re-legitimization, and empirically we focus on the ways in which power and legitimacy intertwine in specific rhetorical encounters between competing institutional logics. Studying the particulars of such *rhetorical struggles* allows us to focus on the dynamic interrelations between logics over time (Just & Mouton, 2014). Further, it highlights the relationality of competing logics, the ways in which an argumentative position is not restricted to one institutional domain but may simultaneously draw on and draw in the logics of several fields. Rhetorical struggles, that is, are not just about which logic wins, but also about how the logics interrelate. In and through such struggles, rhetorical articulation engages institutional logics, thereby constituting the legitimacies of both actors and institutions and, hence, the potential of one to influence the other.

In sum, we begin from three premises: first, the observation that institutional fields "…are usually characterized by multiple, often conflicting logics" (Greenwood et al., 2010, p. 521). And second, the assumption that change may arise from interaction between the ideal typical logics of various fields – e.g. markets, corporations, professions, states,

families, and religions (Lounsbury & Wang, 2020; Thornton, Jones & Kury, 2005). Finally,

we assume that such interaction may both happen within and across institutional fields and

result in maintenance as well as reform of the institutional order (Green, Babb & Alpaslan,

2008; Harmon, Green & Goodnight, 2015; Suddaby & Greenwood, 2005).

In what follows, we perform an illustrative analysis of an empirical process of

rhetorical engagement with competing logics, using the Co-op Bank's failure to realize its

entrepreneurial potential vis-à-vis the field of finance as our case. Following the analysis,

we return to the theoretical discussion in order to detail the concept of rhetorical

engagement and consider its implications for theorizing legitimacy and power within the

framework of rhetorical institutionalism.

From challenger to collapse: The illustrative case of the Co-op Bank

Social banks benefitted from the global financial crisis. Not only did such banks increase

their general public standing in the years following 2008; many people also 'voted with

their money' by shifting their accounts from conventional to social banks (Benedikter,

2011). And not only were social banks successful in themselves; their business models and

managerial practices were hailed as viable ethical alternatives to the dominant profit

maximizing behavior of conventional banks (Weber & Remer (Eds.), 2011). As such, social

banks became potential drivers of change in the financial sector – or what Paul DiMaggio (1988) has termed institutional entrepreneurs. Applying the vocabulary of institutional entrepreneurship to the context of post-crisis finance, we might say that by virtue of breaking with "the institutionalized template for organizing" within the financial sector, social banks had an opportunity to introduce a new institutional logic that could change both the "shared understanding of the goals to be pursued" and "how they are pursued" (Battilana, Leca & Boxenbaum, 2009, p. 68-69).

In 2013, however, optimistic accounts of the ever-better future of social banking took a serious blow when one of the protagonists of this narrative, the UK-based Co-operative Bank, faced a financial distress that nearly led to its collapse and a leadership scandal that all but amounted to a moral panic. In combination, the two crises meant that the Co-op Bank "blew the chance to create a full-blown challenger bank to shake up the high street" (Treanor, 2014) and that the bank, rather than leading the way to a general reform of the financial sector, had to adapt to conventional organizational structures and managerial procedures of the sector (Boffey & Treanor, 2013).

A note on method

In our analysis of this illustrative case, we work with the benefit of empirical hindsight on the issues at hand. As for the historical process, we know that reform of the financial institutions was called for and that the Co-op Bank, along with other social and ethical banks, vied to become an institutional entrepreneur, just as we know that the specific quest of the Co-op Bank, along with the general reform agenda, has more or less left the field unaltered. A decade after the global financial crisis, the field of finance has largely returned to business as usual, enabled by a dominant (re-)interpretation of the crisis as situational rather than systemic, as an occurrence that happened within the institutional field of finance rather than a defining feature of the field (Jessop, 2009; Saad-Filho, 2018).

Further, we draw on existing studies to identify a dominant intrafield logic of the financial sector as well as a competing interfield logic. Thus, we begin our analysis from the assumption that the logics of profit maximization and social responsibility are, respectively, the dominant and the challenger logics of the field of finance (Battilana & Dorado, 2010; Lounsbury, 2002, 2007; Lounsbury & Wang, 2020; Thornton, Ocasio & Lounsbury, 2012). Indeed, competition between these two logics seems to be built into capitalist society as a whole, encompassing its foundational trade-off between efficiency and equality (Okun, 2015 [1975]), just as competition – and complementarity – defines

how these logics have enabled the emergence of socially responsible investment as a main

contender to institutional entrepreneurship in the field of finance (Yan, Ferraro &

Almandoz, 2019). Ethical profits, then, has become a force to be reckoned with, rather than

a contradiction in terms.

In the following, we detail the developments of rhetorical engagement with these

competing logics in one particular and delimited process of attempted institutional

entrepreneurship so as to understand the particulars of the rhetorical struggles of this case.

Hence, we ask how articulations of the logics of profit maximization and social

responsibility, respectively, facilitate change in or maintain the current institutional order of

the financial sector, but also, and more specifically, how these articulations position the Co-

op Bank within the field of finance – first establishing the bank as a legitimate institutional

entrepreneur and later questioning the bank's institutional legitimacy and, hence, its

entrepreneurial potential.

We base the analysis on a dataset of 594 unique media entries (news articles,

commentaries and editorials) found via a company search for the Co-operative Bank in the

Factiva database that was delimited to five UK newspapers (*The Times*, *The Telegraph*,

Daily Mail, *The Guardian*, and *The Independent*) over a two-year period (March 2013-

March 2015). Using a similar data set, Mangan and Byrne (2018) argue that media

coverage of the Co-op Bank's crises delegitimized alternative logics and promoted

institutional conformity within finance. Thus, we may perceive the media's representation

of events as reinforcing institutional developments; while they are certainly not neutral, the

media do not in themselves promote one side of a rhetorical struggle, but tend to emphasize

– maybe even enhance – winning positions.

Some scholars have taken the non-neutrality of the media as a starting point for

broader claims about the value of media studies to institutional analysis. Thus, the news

media may best be understood as "a site on which various social groups, institutions, and

ideologies struggle over the definition and construction of social reality" (Gurevitch &

Levy, 1985, p. 18); as an arena of rhetorical struggle between competing institutional

logics. Furthermore, this group of scholars argues, mediated struggles for institutional

legitimacy are becoming increasingly entangled with other such processes wherefore media

representations cannot be seen as external to institutional (re-)configurations (Pallas,

Fredriksson & Wedlin, 2016; see also, Hjarvard, 2008; Couldry, 2012). While we are

sympathetic to this claim, our current aim is less ambitious as regards theorizing the

mediatization of all society's institutions (Hjarvard, 2013; 2014). Instead, we merely claim

that media data may serve well for the illustrative purposes of this article. Surely, the news

media form an institution with a logic of its own, but this logic is explicitly geared to the

Rhetorical engagement

observation of and mediation between the various actors and interests of other institutions

(Altheide, 2013). In their function as knowledge brokers (Yanovitzky & Weber, 2018), the

news media may provide insights into the form as well as the content of the Co-op's failure

to become an institutional entrepreneur of the field of finance.

Turning from these methodological considerations on data collection back to our

theoretical starting point, we prepared the data for analysis through an initial quantitative

coding, which simply counted occurrences of the competing logics as well as other frequent

themes. On this basis, we singled out co-occurrences of the two logics and based the

qualitative analysis on this subset of the data.

Moving from quantitative observation to qualitative exploration, we first found that

the institutional logics of profit maximization and social responsibility do not necessarily

challenge each other head-on in the rhetorical struggles in which they are involved; rather,

they may re-enforce each other as part of larger (re-)articulations. Thus, the two logics are

in many instances mutually supportive of each other and co-constitutive of broader –

positive as well as negative – developments of the Co-op Bank's position within the

institutional field of finance. That is, engagements of the two logics of profit maximization

and social responsibility were not only implicated in the bank's former success, but also in

its subsequent crises. However, the two logics do not just go hand in hand either; they are

also engaged in direct struggle. This rhetorical strategy was especially pervasive after the

bank's financial crisis had set in and forms of recovery were being considered. Here, the

struggle increasingly results in one logic suppressing the other. Finally, there is a tendency

for the two logics to become disentangled – to be (re-)positioned as being parallel to each

other rather than directly related. This rhetorical strategy of engagement became more and

more prominent as the Co-op bank returned to 'normal' in the dual sense that

organizational reform of the bank both facilitated its recovery from the financial distress

and minimized its difference from ordinary banks. In what follows, we present close

readings of the three strategies of rhetorical engagement between the competing logics,

identifying them as convergence, conflict, and divergence, respectively.

Convergence – Mutually re-enforcing rhetorical engagement

The first strategy of engagement provides a sense of how the logics of profit maximization

and social responsibility, respectively, may be combined so as to promote social banks,

generally, and the Co-op Bank, specifically, as an alternative to mainstream financial

organizations and, hence, as potential institutional entrepreneurs of the institutional field of

finance. Here, the two logics work together, establishing the position that it is profitable to

be socially responsible. Thus, this form of interfield rhetoric introduces the logic of social

responsibility into the field of finance, not as a competitor to the dominant logic of the field, but in convergence with it. The two, it is suggested, may work together for the benefit of both.

This is the underlying dynamic of the Co-op Bank's success; the bank is said to obtain its profit through social responsibility:

> Not only did it play on the Co-op basics of ethical investment and mutual ownership, it was also the first bank to offer free current accounts to customers who remained in credit, and interest-bearing cheque accounts (Goodway, 2013).

Furthermore, increased profit is perceived to enable social responsibility:

> The Treasury endorsed the Britannia-Co-op merger, stating in October 2012:
> "The success of the merger resulted in a strongly capitalised mutual business with the scale to offer its customers and members a full range of financial services products and services that are ethical, mutual and co-operative"
> (Wintour & Garside, 2013).

What emerges, then, is the idea that upholding/promoting social responsibility may provide a foundation for economic gains and that making money may support a socially responsible (market) position. However, this upward spiral of mutual re-enforcement (the more economically successful, the more ethically sound and vice versa) was put into question

during the Co-op's crises and replaced by the contrary scenario of mutual economic and

social devaluation. At this point, the prevalent rhetorical strategy of engagement between

the two logics turned from synergy to antagonism, and the interfield rhetoric of

convergence was replaced by conflict.

Conflict – Oppositional rhetorical engagement

When the Co-op Bank's financial distress became known to the public, the dominant

strategy of rhetorical engagement between the bank and the field of finance shifted. From

being a case of successful convergence of the logics of social responsibility and profit

maximization, the two were now seen to contradict each other, and social responsibility

was dismissed as inconsequential, if not outright detrimental, to profitability.

This strategy of engagement is most dominant in articulations pertaining to the

restructuration of the bank that was part of the plan to save it: "It is a deep and sad irony

that the solution for Co-op Bank's woes is that it is being turned into a stock market quoted

company" (Collinson, 2013). And in more detail:

Now the deals are in tatters: the Lloyds buyout, Project Verde, stillborn, and the

Britannia deal blamed for reducing a proud 140-year-old mutual venture

expressly intended to support local business to the status of City roadkill, good

only to be picked over by vulture funds like Aurelius and Silver Point. The

bank insists its ethical values can survive. But that depends on the hedge funds

thinking they are an important enough part of the brand to preserve (*The*

Guardian, 2013).

In order to not have to leave the field of finance completely, the Co-op Bank had to

change its logic of social responsibility and, instead, adapt to the logic of profit

maximization. The bank, then, became reliant on intrafield rhetoric, seeking a

position within the field on the basis of its existing institutional logic rather than as a

challenger to it. This led to the third strategy of rhetorical engagement: divergence.

Divergence – Rhetorical disengagement

The third strategy of engagement is actually one of extraction or evacuation of the logic of

social responsibility from the field of finance. Thus, rather than engaging this logic in

convergence or conflict with the logic of profit maximization, the two are disengaged

through a number of articulations that suggest the Co-op Bank was never very socially

responsible and/or that the logic of social responsibility never really entered the

institutional field of finance. Through such divergence the logic of social responsibility is,

again, positioned outside of finance and regains (some of) its potential to be (re-)introduced into it as a reformatory force.

The Co-op Bank, it is argued, simply was not as ethically good as it claimed to be – neither in its governance structure, nor in its business practices:

'Ethical' was quite a useful marketing tool for the Co-op Bank, but there were other investment houses that also operated an ethical investment policy, and being ethical does not necessarily demand a mutual or co-operative ownership structure "empowering" members. Indeed, one of the stand-out features of the Co-op Bank was that its customers were not automatically members of any co-operative society, and remained depositors, and thus had no vote to sway decisions made through the Co-operative Group's arcane and frankly undemocratic structures (*The Independent*, 2014).

The successes and, more importantly, the failures of the Co-op, then, are said to hold more resemblance to those of a traditional bank than a social one:

The broader tragedy of the Co-op Bank is that it marketed itself as something different, yet made very similar mistakes to other banks. Bad commercial property loans. Self-certified mortgages. Mis-selling of PPI policies to customers. Expensive failed IT projects. Takeovers it couldn't afford. They are

all there and all add up to a £1.6bn black hole which sees the Co-op Group

relinquish control to hedge funds (McFadden, 2013).

Here, the logics of profit maximization and social responsibility diverge. That is, it is

argued that the Co-op Bank never offered any real convergence of the two and, hence, there

was no conflict between them either. Rather, the Co-op Bank is re-positioned as having

been all about profit maximization in the first place, whereby profit-motivated actions can

be established as the cause of the financial crisis of the Co-op in the same way as they were

for so many other, albeit more traditional, banks during the global financial crisis.

The proclaimed ethics of the Co-op bank may suffer from this strategy of

disengagement, but that is the very point of this rhetorical strategy; it disassociates the

institutional logic of social responsibility from the Co-op, suggesting that the alternative

institutional logic was never directly involved in the Co-op's affairs in any other sense than

having been deficient all along. This move rescues the legitimacy of the logic of social

responsibility, but also places it outside of the field of finance and, hence, inhibits it from

influencing and re-forming the field. Interfield rhetoric is a prerequisite for institutional

change, but the direction of influence is not unilateral. In this case, the existing logic of the

field prevailed, causing the challenger logic to leave the scene.

More specifically, the argument that the Co-op Bank has not realized the full

potential of social banking, that it was never as alternative in its business practices as it was

in its marketing talk, may be used to distinguish the Co-op Bank's failure to make

economic profitability and social responsibility work hand in hand from the continued

potential of such mutually beneficial convergence:

> The sensible lesson from this sad tale is that mutuals may have limits and
>
> should probably test them by growing organically rather than by hubristic
>
> capitalist-style merger and acquisition. The foolish one is to declare that the
>
> mutual model itself is broken. It's easy to mistake the Co-operative Group for
>
> the co-operative movement (*The Guardian*, 2013).

The Co-op, in sum, is not only reformed to become more like an ordinary bank, but

repositioned and re-evaluated as having acted according to the traditional institutional

logics of finance all along, basing its business on the logic of profit maximization with

social responsibility only figuring as a sideshow – even before the crises. Its 'rescue',

moreover, has further foregrounded economic priorities at the possible expense of, rather

than based on, social responsibility. In this way, it becomes possible to argue that social

banking, if performed right, may still pose an alternative to the currently dominant logic of

the financial sector. That is, the potential for reform of the institutional field of finance

through interfield rhetoric that engages the currently dominant logic of profit maximization with the alternative institutional logic of social responsibility remains available to future institutional entrepreneurs.

With this possibility in mind, we now turn to the discussion of how the illustrative study of rhetorical engagements with the competing logics of profit maximization and social responsibility in the case of the Co-op Bank's crises may contribute to the theory of rhetorical institutionalism.

Concluding discussion: Institutional fields as arenas of rhetorical engagement

It is time to ask what, exactly, the case is illustrative of and, hence, to establish our proposed theory of the rhetorical constitution of institutional legitimacy. In this regard, we may begin by recognizing that this, in a sense, is a case of failed rhetorical engagement. Or rather, the Co-op Bank vied to become an institutional entrepreneur, but instead of changing the field of finance ended up being changed by it. The Co-op, we might say, was co-opted as the legitimacy of its social responsibility was drained by the power of profit.

The case, we should also say, was significantly shaped by extra-rhetorical events; the Co-op Bank lost its entrepreneurial potential in the wake of its own financial distress and the concomitant leadership scandal. Or rather, it lost this potential because of how it

was re-positioned within the field in the course of these crises. Thus, our claim that

institutions are rhetorical should be specified to suggest that processes of positioning actors

within fields – and, hence, of configuring fields in and as the relations between its involved

actors is rhetorical. The ongoing process of positioning/configuration is articulated in and

as episodes of rhetorical struggle, each of which is characterized by a particular strategy of

rhetorical engagement and a certain institutional outcome. In the field of finance, the

involved rhetorical struggles variously engage the competing logics of profit maximization

and social responsibility. In our specific case of the Co-op Bank three strategies of

rhetorical engagement were involved: convergence, conflict, and divergence. Each shaped

the position of the Co-op within the institutional field, influencing not only this particular

actor, but the field as such. While the Co-op bank ended up having to re-legitimize itself

through traditional means of re-organization, this was an effect of rhetorical engagement,

not a precondition of it, meaning the broader return to 'business as usual' of the field was

also facilitated by the Co-op's failure as a legitimate alternative.

Thus, the case illustrates our theoretical claim that institutional fields are arenas of

rhetorical engagement. As such, the positions of particular organizational actors are the

results of specific rhetorical struggles between competing institutional logics whereas the

institutional field is shaped by the dynamics of rhetorical engagement, by the process of

positioning, rather than by the specific positions. The dynamic in the analyzed case is one of introduction and subsequent extraction of a new logic, social responsibility, that had potential to change the field through its engagement with the existing logic of profit maximization. Here, three particular strategies of rhetorical engagement – or argumentative patterns for (dis)connecting the institutional logics – were predominant. Other cases might be constituted by different rhetorical strategies as the specifics of how institutional logics may be rhetorically engaged will vary. However, the process of rhetorical engagement between competing institutional logics is a general constitutive condition of institutional fields. And, we suspect, convergence, conflict, and divergence are likely to be recurrent strategies of such engagement.

In offering the concept of rhetorical engagement as a conceptual frame for studying processes of the rhetorical constitution of institutional legitimacy, we contribute to the theory of rhetorical institutionalism in several respects. First, the illustrative analysis supports Harmon, Green and Goodnight's (2015) model of intrafield and interfield rhetoric as promoting institutional stability and change, respectively. When the challenging actor is perceived to be more legitimate than those representing the current order, there is a possibility of importing new logics and instigating change; when the challenger loses legitimacy, however, intrafield rhetoric serves to re-stabilize the field – and the challenger's

Rhetorical engagement

role within it. Second, our analysis shows that these outcomes are not determined by the individual actors and their particular rhetorical efforts, but emerge in and through the process of rhetorical engagement, as patterned argumentative strategies for (dis-)connecting institutional logics that arise beyond the control of any one actor or utterance, but only exist in and as specific and specifically articulated arguments. Thus, power emerges as a thoroughly relational construct. Through rhetorical engagement, actors are (re-)positioned and fields (re-)configured on the basis of both the weight, which they bring to bear on each other, and the strength they accumulate (or forfeit) in the process.

Accordingly, we add to existing understandings of the role of rhetoric in maintaining and changing institutional orders in two respects. First, we have shown the complexities and dynamics of rhetorical engagement in a particular case – because the process of rhetorical engagement is always particular. That is, logics not only clash, but may be related and dissociated in various ways in and through the ongoing processes of configuring institutional fields. We may theorize this process in abstract terms, but substantiating the relations of rhetoric and legitimacy – and, hence, determining particular relations of power – is necessarily an empirical affair. Second, our case study has illustrated the need for conceptual nuance in understanding the relationship between actors and rhetorical strategies, on the one hand, and structures and institutional logics, on the other.

Rhetorical engagement

While it takes an actor to articulate a particular position or employ a certain type of intra- or interfield rhetoric, rhetorical engagement with institutional logics underwrites each articulation. Hence, the order may end up changing the actor, just as the actor may change the order. The former happened in the case of the Co-op Bank, but this does not mean that finance has been re-legitimized – only that this specific actor, this prospective institutional entrepreneur, failed to change it (and was, itself, delegitimized in the process).

In sum, institutional logics, the profit maximizing logic of the financial sector being one particularly important case in point, are never stable or unchallenged, but constantly re-articulated and negotiated; this is what maintains *and* changes the institution. Stability, then, is never purely internal and reform never only a matter of external force; rather, specific articulations of different institutional logics by means of intra- and interfield rhetoric are entangled in different and dynamic ways so as to continuously configure the field and the various players' position within it. Institutional fields, then, are arenas of rhetorical engagement between competing logics, and they are themselves shaped by the process they facilitate. As such, the dynamics of rhetorical engagement are constitutive of institutional legitimacy.

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