

Max Weber was among the first great social theorists to stress the importance of legitimacy. In his definitional foundations of the types of social action, he gave particular attention to those forms of action that were guided by a belief in the existence of a legitimate order: a set of "determinable maxims," a model regarded by the actor as "in some way obligatory or exemplary for him" (Weber, 1968: 31). In his own work, Weber applied the concept to the legitimation of power structures, both corporate and governmental. His widely rehearsed typology of administrative systems depends on whether the subordinate actor regards the order as binding because of its traditional nature, the charismatic qualities of its leader, or because it has been legally constituted. Variations in such beliefs have been shown to have implications for the structure, stability, and operations of the system.

While analyzing legal order, Weber developed a distinction between general social norms and what he termed guaranteed law: the existence of a "coercive apparatus, that is, that there are one or more persons whose special task it is to hold themselves ready to apply specially provided means of coercion (legal coercion) for the purpose of norm enforcement." Thus, Weber regarded regulatory institutions as clearly distinctive from other, normative elements.

Most recently, with the advent of neoinstitutionalism, a number of theorists have emphasized the importance of cognitive belief systems - organizations are assessed in terms of their consistency or congruence with cultural models or rules specifying appropriate structures or procedures. Following the lead of Berger and Luckmann (1967), who emphasized the extent to which institutionalized patterns provide a basis for predictability and order, Meyer and Rowan (1977) were among the first to call attention to the ways in which organizations seek legitimacy and support by incorporating structures and procedures that match widely accepted cultural models embodying common beliefs and knowledge systems. These and related contributions represent considerable diversity but also reflect a common underlying conception, which has been formulated by Suchman (1995: 574) as follows: "Legitimacy is a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs and definitions."

The normative component, stressed by Weber's discussion of administrative systems, places emphasis on "normative rules that introduce a prescriptive, evaluative, and obligatory dimension into social life"

Cognitive elements are the rules that specify what types of actors are allowed to exist, what structural features they exhibit, what procedures they can follow, and what meanings are associated with these actions. Hence, cognitive elements are more basic to the operation of social systems and provide frameworks on which normative and regulative systems are constructed. The new institutionalism has emphasized the importance of these cognitive facets of institutions (see Meyer and Rowan, 1977; Zucker, 1977; DiMaggio and Powell, 1991). The prevalence or density of a form or practice is often employed as an indicator of cognitive legitimacy (Fligstein, 1985; Westphal and Zajac, 1994).(1)

Whether an organization is legitimate, or more or less so, is determined by those observers of the organization who assess its conformity to a specific standard or model. All stakeholders participate in this process, evaluating one or another aspect of the organization with varying degrees of knowledge and with varying degrees of influence on the overall level of legitimacy. As Suchman (1995: 574) noted, legitimacy is a "generalized perception" representing the "reactions of observers to the organization as they see it; thus, legitimacy is possessed objectively, yet created subjectively."

Legitimation processes operating on organizations may be considered on several levels: (1) entire organizational populations, (2) individual organizations, or (3) subunits and specialized aspects of organizations. Ecological as well as many institutional approaches focus attention on the legitimation of organizational populations, collections of organizations exhibiting a given structure or form

Institutional theory has focused on the movement towards, and maintenance of, isomorphic institutional environments.

DiMaggio and Powell (1983) discussed isomorphism based on the assumption that organizations become increasingly similar through institutional forces. Their primary focus is on the movement towards, and the maintenance of, institutional norms through coercive, mimetic, and normative processes.

Key to the discussion is the effect of isomorphism on organizational performance. We suggest that isomorphism results in similar organizational performance or outcomes.