The Institutional Formalism: The Role Of "Make-Believe" In The Organizational Institutionalization Process

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Abstract

Institutional Theory in organizational studies is an approach of strong influence in research in this field. However, studies considering formalism as an integrant part of the institutional process are rare. Aiming to fulfill this gap, this essay demonstrates that institutionalization and formalism are widely linked, especially in Brazil, with its cultural endemicity. Following as guidelines works of Guerreiro-Ramos[1], Riggs[2][3], Meyer and Rowan[4] and DiMaggio and Powell[5], we intend along this essay to adapt the aforementioned studies to organizational reality, insofar formalism is commonly seen as a characteristic of heterogeneous and developing societies, and the institutionalization is seen like a generator process of homogenization of organizations. As a result of this study, we can point out the role of the institutional formalism in form of "make-believe" in the core of the institutionalization process, acting like a shortcut for social legitimation of organizations.

Keywords: Institutionalization, Formalism, Isomorphism, Legitimation, Institutional Formalism.

1. INTRODUCTION

Modern organizations are deeply embedded in a web of relationships with no way back, thus they "cannot be developed in a social vacuum: they are rooted in cultures and institutions"[6:233]. This assumption is related to the fact of the firms not being locally isolated. With the technological advent and institutionalization of innovation[7], they are interconnected in global level networks[7][8].

The interaction of the firms with the environment, in search for legitimation, is the generator fact of institutionalization. Organizations end up taking-for-granted paradigms established by the market or society, making those rules, beliefs and values their own reality. As a consequence of this assumption, organizations become increasingly similar among themselves (i. e. isomorphics)[9][4][10]. The results of such isomorphism might be the struggle amidst what the organization is in its essence and in what they need to become during their evolution due to institutional pressures[11], occurring, then, institutional formalism.

Brazilian republic was founded under the mold of the *Stand* (i. e. social status) and patrimonialism[12][13][14], hence formalism is genuine and characteristic of its society. Thus, the study of Guerreiro-Ramos[1] on formalism as a strategy of change might be recognized as deserver of "highlight in the analysis of the modernization of Brazilian institutions"[15:226], being also a tool for reduction of risk and uncertainty and for enhancement of predictability and control in organizations[16].

Previous studies have already pointed out relations between formalism and Institutional Theory[15][17][18], being deeply addressed by Machado-da-Silva, Guarido-Filho, Nascimento e Oliveira[19] in a research analyzing the administrative reform in Brazil. Though, despite the existence of such prominent study of Machado-da-Silva and his colleagues, we argue that, proceeding in the study of this relation (with focus essentially in the role of institutional formalism into legitimation process), we could give a contribution to the organizational field, especially if grafted to Brazilian reality.

Given the literature review about this matter we assume that there are many correlations between these theories. However, there is a lack of research allowing construction of this

theoretical bridge (e. g. Machado-da-Silva et al[19]). Meyer and Rowan[4], assuming the existence of a gap between formal structure of organizations and their real work activities, and Oliver[20] in her theory about strategic response to institutional process (avoidance strategy and tactics of concealing) are a clue of such relation. From this point of view, we intend throughout this essay verify how formalism acts in the legitimation process in the organizational field, being or a shortcut, or a logical path in the transition from established institutions to new emerging institutions. We aim through this essay to analyze the formalism as an integrant part of the institutionalization process, contributing with later research agenda in the field.

During the research, we describe the prismatic model elaborated by Fred Riggs[3]. Thereafter, we analyze formalism through a Brazilian sociohistorical context and then we introduce the origins and structures of the institutional approach. The final part of this work consists in our attempt to build a bridge linking the institutionalization process and formalism. This will be addressed by working with both theories in the same context, leading to the rise of the institutional formalism.

2. THE DEVELOPMENT MANAGEMENT AND THE PRISMATIC MODEL

It is of common sense that administration models in hemispheric nations are mostly imported from developed countries and, in general, applied to their organizational realities without any criteria or adaptation sense[21][1][22].   Indeed, it is known that the success of a model in its homeland, does not ensure the same results in organizations of distinct countries, regions, cultures and social contexts[23][24][25].

Aiming this assumption, Fred W. Riggs immerged in the studies of public administration of development countries, as Thailand, Philippines, India and China. As a result of this immersion, he created an appropriate model of analysis of social and administrative situation of these countries, taking into account their economic, political and cultural context[26]. Riggs' model is applicable to researches of three societal types, namely: "highly developed Western industrial societies and traditional agrarian societies, as well as developing societies"[27:214].

The aforementioned model is the conventionally called Prismatic Model[27], result of Riggs' pursuit to explain the dynamics of post-colonial development in transitional societies[26]. This proposed model is distinct from the existing ones at that time, which were used to analyze societies and their characteristics throughout a dicotomic-social lens, as it included a third and intermediary level representing transitional and development societies. Despite the search for differentiation, Riggs, in what may be named an embryo of the Prismatic Model, started studying a social dichotomy: "Industria" and "Agraria"[3][28][27]. However, with the evolution of the model, the author adds the "Transitia" society to it, which later will be defined as prismatic society[28].

The prismatic model was idealized with the adoption of an ecological approach[27], through a refraction scale (which would be later renamed diffraction, nomenclature adopted in this study from now on), in which Riggs uses physics laws to express the way societies are divided structural-functionally. According to Riggs[3:7], "we will not find administrative models intrinsically valid or invalid; a model which lights the administrative realities in certain scenario may overshadow the facts in other".

But, after all, why "Prismatic Model"? The answer is given by the changes of path taken by light when it crosses translucent substances, e. g. water. A white and fused ray of light is beamed through a prism, and, when it crosses this substance, "is decomposed, according to the waves behavior, in several colors of the solar spectrum"[3:26] – which is the phenomenon that occurs in the formation of a rainbow[29]. The same occurs with transition societies according to the structural-functional approach.

Before exploring and explaining the Riggisian model, we shall introduce the given definition by author of function and structure. Structure is "any pattern of behavior that turned into normal aspect of a social system"[3:22], i. e., institutionalized. The structure is composed "neither of people, nor of things, but of action performed by them"[22:174]. As a function, we may

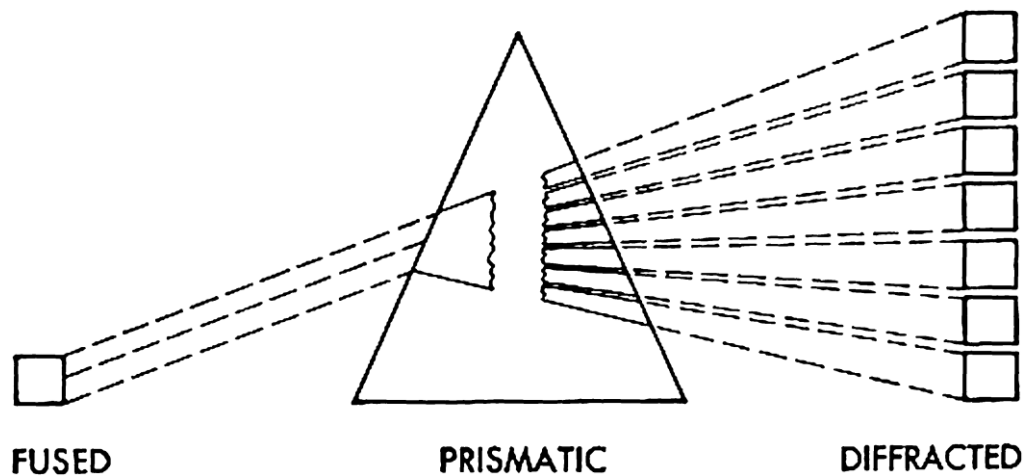define as any consequences of a structure, affecting other structures in a global system it belongs to[3].

FIGURE 1: Graphic representation of the Prismatic Model. (Riggs, 1968:31).

Therefore, primitive societies, or traditional, are named fused, being functionally diffused, i.e, a single structure performs multiple functions. Modern societies, or developed, are named diffracted, being functionally specific, where each structure performs particular and restricted functions[1][22]. As an example, Riggs[3] quotes family as a structure in a traditional society. It accomplishes, beyond its biological natural function, religious, educational, economical, political and social functions, being then, functionally fused and concentrated. On the other hand, in a diffracted society, the family would accomplish only its biological function. The other functions would be accomplished through specific structures (e. g. churches, schools, political parties, etc.).

The pressures exerted in societies to assume a transition role in the positive direction of the diffraction scale may be endoprismatic or exoprismatic. The endoprismatic pressures emerges in the core of the own society[3], i. e., endogenous. The motivation for this kind of transformation comes from internal aspiration for innovation, embedding new structures or patterns of behavior of the normal habit (e. g. pre-modern European societies). Changes through exoprismatic pressures are those motivated by external pressures, demanding a sense of adaptation from the society to new patters of behavior determined by exogenous factors (e. g. former colonies after their independence with inherited imperial structures)[28].

The typologies of societies proposed by Riggs, specially the extremes fused and diffracted, are ideal types, having only a heuristic finality[3]. Some societies may exhibit several characteristics similar to one ideal type or another. Although it will never exhibit every pattern necessary to be framed as typically fused or typically diffracted. Thus, Riggs believed that typifications can be potentially quantifiable through the prismatic model[28]. This scale model may be comparable to mathematics adoption of the infinity negative, the origin, and the infinity positive in the x-axis of the Cartesian coordinate system.

From this precept, the author depicts the debilities of studies of the transitional societies by the social sciences. For him, "models idealized to study of both extremes of the continuum are improper to intermediate situations"[3:30], i. e., the former models adopted until then for studies of such societies used to be dichotomists models adapted from analysis extremely fused (primitive) or extremely specific (diffracted). The result of such kind of analysis is, "evidently an image curiously dissociated and schizoid of the transitional society"[3:32].

The argument to defend the creation of a proper model for the analysis of transitional societies is more relevant and more justifiable than it seems. The description of the signs of transition, that follows next, will be the foundation criteria for the development of the study

until it ends. In the transitional societies there may be observed some common features, independent of historic-cultural aspects. This commonplace is characterized by a triad, called by Riggs[3], transition signs. The first vertex of this theoretical triangle is heterogeneity; the second is the overlapping, and the last one, the formalism.
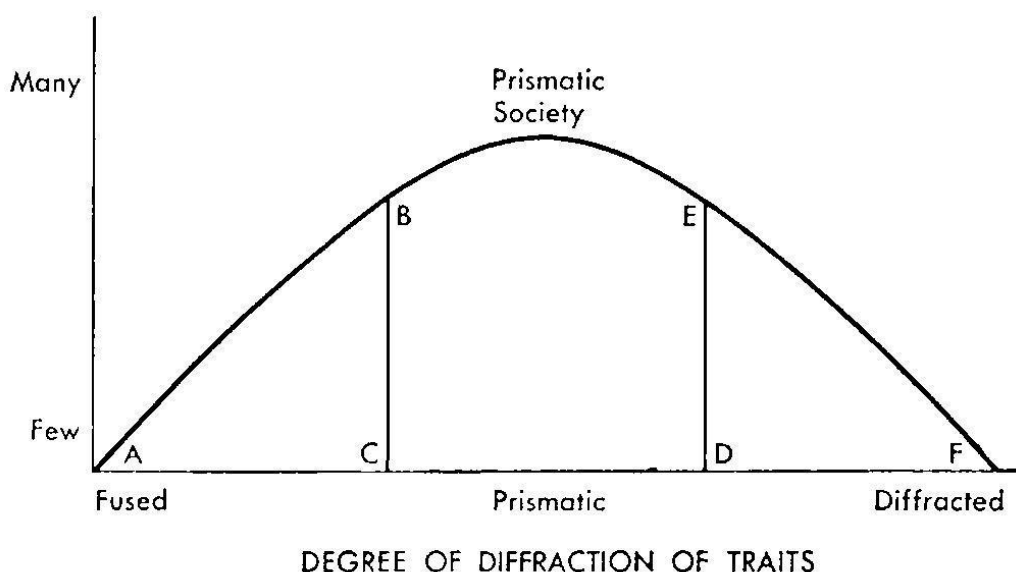

FIGURE 2: Cartesian chart representing the "Degree of Diffraction of Traits" into societies. Adapted from Riggs (1968:33).

Heterogeneity is characterized by a "wide fusion of attitudes, practices and situations" [3:15], exemplified by the analysis of Philippine and Thai societies. A foreign visitor passing through Manila or Bangkok may only be able to know truly Philippines or Thailand when visiting these countries' inland[2]. As an example of this phenomenon in Brazilian ground we may use Rio de Janeiro. Tourists are commonly attracted by natural beauties of this city, like Suggar Loaf, Copacabana beach, or by cultural attractives, like Bossa Nova or Carioca's Carnival, but they may only be able to perceive such heterogeneity when knowing the reality of Brazilian people who lives in Rocinha's slum.

Notwithstanding, we must ponder that despite being an outstanding trait of transitional societies, heterogeneity cannot be considered chaotic, even though baffling. People living in Carioca's hills are not more, nor less Brazilian than those living in Barra da Tijuca. It is necessary to study both realities together to allow us to deeply understand the features of that society. Like Riggs implies: "The heterogeneity is distinct of chaos, because in the former, the extent of variation obeys determined patterns, and there are laws and historical elements determining the relation amidst these contrasting phenomena" [2:161-162], i. e., "whosoever who seek having a global vision of the society based on just a part of its components, no matter how important is this part, will be surely doomed to failure".

Another factor to be considered in analyzing through Prismatic Model is the overlapping. It is known as the lack of autonomy of a given social structure[3][22], i. e., when it tends to specialize (diffract), it is still influenced by former fused features. We shall betake again to Riggs' example to explain this phenomenon: "(...) the new formal mechanism, like, in assumption, an administrative department, gives an illusory impression of autonomy when, in fact, is deeply involved in a process of crossed-influences with the residual of older and more traditional systems, like social, economic, religious and political systems" [3:17].

Haque indicates another definition of overlapping, in which "similar functions are prosecuted by different structures"[26:770]. Guereiro-Ramos[1] exemplifies the phenomena using nepotism. When occurs the nepotism, the boundaries of the family function are transgressed, i. e., the structure "family" overlaps the administrative structure. The aforementioned example may

also be applied to the third vertex of transitional criteria of prismatic societies, the formalism, which will be studied from now on.

3. THE FORMALISM AND ITS PRESENCE IN BRAZIL

Formalism is the antagonism of realism. It is, thus, the existing discrepancy between what is standardized and what occurs in reality, between formal power and effective power, between the impressions passed by organizations and their real practices. The higher the discrepancies, the higher the grade of formalism in a society[2].

Formalism may be encountered (even residually) in any kind of society, but is prevailing in prismatic societies, such as Brazil and most countries in Latin America. Prismatic societies are those, with high grade of heterogeneity, living amidst dichotomies like between modern and archaic, or, nostalgic and avant-garde; being these societies extremely dependent of economical and industrial power societies. It is in the middle of hypothetical fused (i.e. homogeneous, with restricted number of structures and functionally diffuse) and diffracted societies (i. e. homogeneous, but each structure is corresponds to a specific and distinct function)[2][1].

Organizations in prismatic societies habitually adopts, formalistically, standard practices and theories from foreign countries that proven to work in its origin. Such patterns are applied according to local reality, with the conviction that these are the best methods to achieve success and, consequently, integration and acceptance of local organizations by organizations in developed countries[1]. Looking at Brazilian organizations, we may see an intrinsic formalism, from small firms to complex organizations. Such models and references "permeate organizations, blending and merging with the values, practices and tools, that are originally Brazilian"[16:975].

The necessity of adaptation of foreign models according to national reality in Brazil is a historical contingency. Brazilian post-colonial period brought the necessity of creation of national institutions in replacement of colonial institutions, and the inspiration came from European liberalism[30]. Despite of the adoption of a European model, Brazilian liberalism was quite peculiar. In Europe the liberalism was a movement created from the necessity of the elite of European bourgeoisie, during the capitalism development, of disentangling from the exacerbated control of production means and commerce from royal authoritarian governments and from the given privileges to the clergy, to nobles and to monopolies. The bourgeois' weapon against it was the preaching for free trade and work, the legal egalitarianism, and the property rights as Universal rights[30].

In Brazil, liberalism occurred with distorted proposals of European liberalist movement. The Brazilian liberalist movement "imported the tenets and political formulas, but adjusted it to its own necessities" [30:132]. The main defenders of Brazilian liberalism were the landlords, owners of a considerable amount of slaves and with the interest in benefits from the end of commercial constraints imposed by colonial pact[31]. They were aiming for free trade, but with the maintenance of traditional colonial means of production. Hence, Brazilian liberalism was achieved in such a formalistic way that was clear the contradiction between the ideals of liberalism and the maintenance of an enslaving and patronage system[14]. This is essentially what European liberalism fought against.

We shall elucidate that we didn`t intend at any time to demean Brazilian liberalist movement. Despite endemic, it was a legitimate movement in the fight for the rights of a class (land owners), against an absolute power (the colonial system), having, then, its due historical value in the national construction. One of the factors mentioned by Costa[30] to explain the peculiarity of liberal process in Brazil, beyond the kind of bourgeoisie, is the nonexistence of two social classes that were fundamental actors in the process of liberalism in European continent: aristocracy and proletariat.

Some critics of the mimetic-formalistic model of construction of the national institutions may be noted. The Viscount of Uruguay, Alberto Torres, Silvio Romero and Oliveira-Vianna were the mentioned by Guerreiro-Ramos[1]. However, these criticism cannot be seen like a

promotion of "theoretical xenophobia", but it simply intended to avoid an exacerbated "theoretical xenophilia"[32:228].

Silvio Romero[33] detects that Brazil, due to its heterogeneity (prismatic society feature), does not have its own form endowed of its inherent individual, institutional, political or intellectual features. Thus, it resorts to adoption, disorderly and mimetically, of foreign practices as thought instigators, taking-for-granted ideas that came from overseas, being unable to produce by itself. By adopting such position, the Brazilian people are conditioned to be everlasting "exiled in its own land"[34:31].

The main cause of the amorphousness of Brazilian institutions was the Portuguese colonization method. Portugal colonized Brazilian lands with extremely exploratory means, without preoccupation with the formation of any kind of national identity in colonized land, or even intellectual capital[13]. Generally, the colonizer countries do not intend to form nations, they intend to invade and conquer; they are only explorers and not partners of the colony[21]. The choice of adoption of agrarian exploration colonization was not a real choice, but a circumstance: Brazil didn't have any mercantile vocation like the Eastern colonies explored by Portugal[35].

Alberto Torres, in his classic work, "The Brazilian National Problem", asserts that "the nations that arose by discovery and colonization are social impromptu of fortuity or of exceptional facts"[21:93]. This impromptu entails the necessity of construction of an artificial and misshapen nationalism, imposed "from up-to-down", through authoritatively and coercive means, being considered as a "political work-of-art", much more imitator than creative[1:355][12][36], i. e., elaborated without mobilization of Brazilian society, but only elaborated by an intellectual elite – intelligentsia – formed by a dominant triad of jurists, physicians and engineers[37].

Alberto Torres[36] assumes still that the lack of adaptation sense of imported ideals, institutions, methods and processes, makes the Brazilian men and society, increasingly incongruent and strange to its environment. This lack of adaptation sense is *ipso facto* of transplantation of strange methods to Brazilian reality, without taking account that a technique that works with a given people will not, necessarily, produce the same results in another society constructed in totally different manners[23][24].

It is evident that the amorphousness is one of the most potential causes of formalism, because, to take form, a society adopts, in coercive and mimetic means, any models available in the environment, independently of previous measurement of its effectiveness. Thus, it is possible to blame such lack of form to influences of Portuguese colonization, inasmuch Portugal lives still with formalism, because its institutions are progressive, but its social practices continues retrograde, being increasingly surrendered to the imitation of models of more developed countries in Europe in many areas[38].

4. THE INSTITUTIONAL APPROACH

"Institutions are the rules of the game in a society"[39:3], i. e., "define the desirable types of social system"[40:20], exerting moral authority through a value system common to all actors, who accept those rules, legitimating it and turning it deeply lasting and sedimented, but no irreversible, in time-space, due to its coherence with other elements of the system[40][41][42][43][44]. The institutions consist in cognitive, normative and regulatory structures, providing stability and meaning for social behavior and structuring human interactions[45:xiii][39]. They are socially constructed by men, being experienced like objective realities, and, once institutionalized, may be considered submitted to social control[44].

Institutionalization occurs when there is a "reciprocal typification of habitual actions by types of actors"[44:79], i. e., when an activity is considered habitual, it refers to "behaviors that are developed empirically, adopted by an actor or a group of actors in order to solve recurrent problems"[46:204]. Habitualization is the first stage of institutionalization, followed by objectivation stage, and, at last, the sedimentation stage[46].

Given the previous considerations, the following question emerges: What that got to do with organizations? Everything. After all, organizations are embedded on institutional

environment[47][4], surrounded by beliefs, values, rules, norms and patterns, aiming to be legitimated before society through institutions[4][43], ensuring their stability and, thus, increasing their survival perspective independently of the effectiveness of practices and procedures assumed[4]. Organizations that are opposed to institutions are vulnerable to be identified as negligent, irrational and unnecessary to society, going, consequently, to bankruptcy[4].

In the organizational field, Institutional Theory has its origin in studies of Philip Selznick[48], theoretical disciple of Robert K. Merton, with the book "TVA and the Grassroot", and with the studies of Talcott Parsons[49][50]. The neoinstitutional approach had its cornerstone in the launch of the article wrote by Meyer and Rowan[4], "Institutionalized Organizations: Formal Structure as Myth and Ceremony", grounded by social constructivism of reality of Berger and Luckmann[44]; followed by the classic article of Paul DiMaggio and Walter Powell[5], "The Iron Cage revisited: Institutional isomorphism and rationality in organizational fields"[10][45], adopting a "predominant subjectivist epistemological position, where it is emphasized the social construction of reality"[51:90]. In Brazil, the Institutional Theory has as its main interlocutor Clovis Luiz Machado da Silva[52].

The organizations are creatures of their own histories, of the relations they formed and of the manner they adapted themselves to the environment[43]; they must face the resistances and constraints imposed by their history[53] to ensure, thus, their continuous survival through the institutions. By taking-for-granted such institutions as their inherent values, organizations tend to be structurally very similar to each others, becoming, then, isomorphic[4][5]. DiMaggio and Powell[5] identified three mechanisms of pressure towards the institutional isomorphism: coercive, normative and mimetic. The weighting of each mechanism "may vary both of a society to another and of a segment of activity to another"[19:180].

Coercive isomorphism is characterized by formally or informally imposed pressures in organizations by other organizations with which they have dependency relations, by social expectations about their functions, or by governmental orders, such as laws, regulations, etc; causing ceremonial changes in the organizations that suffer institutional pressures, in a way that involved actors are obligated to obey such rules of interest of the regulatory system, in order to avoid sanctions[5][39][45][54].

Normative isomorphism is found in the professionalization or in the grade of professionalization, when actors aim to construct cognitive basis and the legitimation of their occupation[5][54][55]. Apropos, we shall emphasize that, despite of several kinds of professions coexisting within an organization, "they exhibit much similarity to their professional counterparts in other organizations"[5:152].

The last kind of isomorphism, the mimetic, is encouraged when organizations are in situations of environmental uncertainty, are unclear in their objectives, or face problems that are apparently with no causes or solutions. With this established scenario, they look for solutions in preexistent models in other legitimated and successful organizations[5][54]. Another kind of mimetic isomorphism scenario is of new organizations. When such new organizations arise, they tend to copy their structure of already established firms[5]. The fact is, like was previously emphasized by Broom and Selznick[43], do not take account of the effectiveness of the applied model.

Another approach of the Institutional Theory, founded by Scott[45], though based in DiMaggio and Powell[5], classifies the institutionalization and isomorphism processes in dependent systems of regulative, normative and cognitive elements that carry cultural, structural and routine aspects.

A regulative system is described by Scott[45] as a social-realist system, being the reality for this ontology considered existing independently of human creation[56]. The involved actors in this system gives full credit of institutional legitimation to the forces of law, norms, sanctions, governance and power systems, and routines of obedience and submission[45][19].

The pillar founded in normative elements has its orientation guided to emphasis on beliefs and moral values as obligations to be internalized by organizations in their social context,

aiming legitimation through conduct adequacies, restraining the choices of social actors. This pillar also tends to be social-realist, however, emphasizing the power of social patterns as formers of thought and beliefs of individuals, being their individual actions determined, more by non-rational forces, than by rational ones[45][19].

At last, the cognitive perspective of institutions, in its most developed version is based in the social constructivism of Berger and Luckmann[44], in which, "people don't discover reality; they create it"[45:xvii], and in the ethnomethodology of Garfinkel[57] . The cognitive systems shape social reality, being the characteristics' of actors, individuals or collectivity, defined by cultural norms[45][19][58]. Under cognitive perspective, institutions are not only agglomerate of rules and norms to be followed, but knowledge systems, through which occur the typifications that controls which actor must follow given kinds of scripts or set of rules[45].

The commonest works focused on institutional approach in organizational studies have been adopting broadly normative system and cognitive system in its analysis, leaving aside regulatory system, based on the assumption of this kind of system is just a reinforcement of the others[19].

It is relevant to emphasize that institutionalization process of organizations, despite being a socially constructed phenomenon[44], also has influences over social behavior, defining our vision of world and producing forms of behavior and forms of reasoning[59][60].

5. THE FORMALISM IN THE INSTITUTIONALIZATION PROCESS

The pressures of institutions and institutionalization are present in its heuristic types in more primitive societies[44][23], or, according to Riggisian typology, fused societies[2][3], whereas in this kind of society the social control is a lot easier. It may be noted traces of such process even in the indigenes tribes that inhabited the pre-colonial Brazil and still preserves nowadays the habits, values and institutions of that period.

According to Machado-da-Silva and his colleagues[19], the formalism is an institution, because, beyond presenting formal aspects (laws) and informal aspects (actors behaviors), it holds "legitimacy and stability over time, being perceived as a natural element of Brazilian society"[19:191]. We agree with the concept that formalism is really an institution, however, we assume that formalism is an institution due to another institution, i. e., it cannot exist per se, being necessary a social institution to create conditions to arise the formalism.

Guerreiro-Ramos[1] emphasizes the strategic value of formalism in transitional process of prismatic societies to diffracted societies. Hence, we may infer that formalism have the same importance in the process of institutionalization of organizations, acting like a shortcut to legitimation of them in social environment. In other words, organizations resort of formalism to show off to society a pseudo-adoption of institutions, what Meyer and Rowan[4] called of ceremonial, once they need to be legitimated for ensuring survival, i. e., such institutions are not necessarily structurally adopted as myths by these organizations.

Oliveira-Vianna[23] depicts masterfully citing Malinowski, but with other terms that we may apply in this study, the interrelation between formalism and institutionalization, drawing the distinction between *"charta"*, that is the *"system of norms* that regulate social institutions", being "formulated to define the *ideal* behavior of the members of the group"[23:71], and what he called *activities*, that is the effectively execution of those *rules* by actors. The institution, i. e. the *ideal* conduct of actors, will not necessarily represent the reality, because this conduct may be formalistic when the actor shall "to act in diversified sectors that are *institutionalized* in society (…)"[23:72].

The author presents a scale of *deviation* between the norms prescribed by the *charta* and the *activities*, that we transposed (see Figure 3) in an institutionalization grade of organizations before environment: (a) organizations that fully accept the institution; (b) organizations in transitional phase of adoption or that partially deviates of institutions; (c) organizations that glaringly transgress the institutions, that is, organizations that do not accept institutions and are in risk of being stigmatized by society[23][4]. Such scale depicts that there is a significant relevance in the existence of a half-way between organizations that fully accept institutions

and those that do not accept at all and tend to failure. In this gap we may found the institutional formalism.
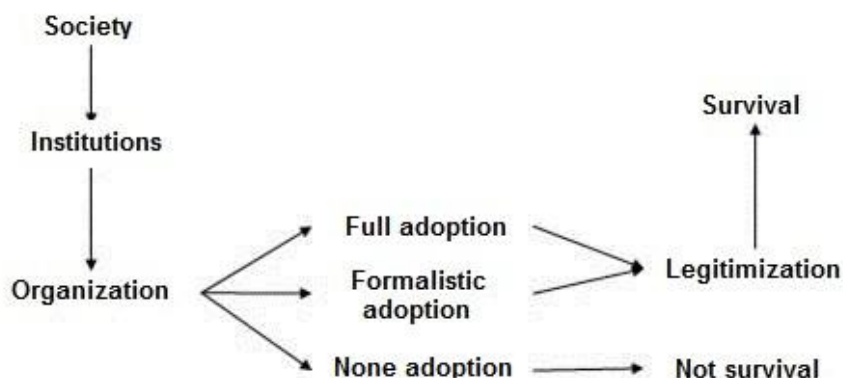

FIGURE 3: There is the insertion of the formalism in the institutionalization process, represented in this figure as the "formalistic adoption" of the institutionalized practices in pursuit of legitimation.

The attaining of legitimation and, consequently the survival, demands of organizations the embodiment of institutions in their formal structure, however, many of them are not able to adopt the institutions fully or simply are not intended to do it, because such institutions may be incompatible with their internal designs[18].

Formalism is, even in an unconscious way, the strategy of organizations surrounded by environmental uncertainties about institutions. Those that feel themselves unable, adopt mimetically successful models of other organizations to get appearance of legitimation, without criteria of accordance of such model to their organizational reality. The more distant the results of the reality of the organization, more formalistic it will be[11]. The organizations that recognize the institutions, but voluntarily decide for not adopting them fully, resorts to formalistic mechanisms to gain legitimacy, such as, the Brazilian *jeitinho*, remaining, then, alive in the organizational environment and seen as useful for society.

Institutionalization, in its ideal type, is very close to realism, moving away from formalism. This pure type is found essentially when institutionalization mechanisms are cognitive, i. e., are immanent and endogenous processes of social actors, arising from learning process and cultural knowledge. Normative and coercive institutional processes, just as regulatory and mimetic, tends to be transcendent and exogenous processes to the organization, being its integral adoption, target of great resistance from involved actors. Hence, it is precisely in the means that generate resistance that formalism tenets are found in a more constant way.

Beyond the transcendence of institution, another factor that may influence organizations to act formalistically is the rootedness of the institution, that is, "institutions that have a relatively short history or that have not yet gained widespread acceptance are more vulnerable to challenge and less apt to influence action"[61:96]. Such kind of institutions potentially tends to be adopted formalistically, because, by not possessing total acceptance by the members of the society, they possess less power of subjugation of organizations.

As discussed previously, formalism may be found in transitional intermediary stage of institutionalization process. To become homogenous and realistic (feature of fused and diffracted ideal types of societies) in their institutions, organizations necessarily pass through a phase of transition. Riggs[3] assumes that heterogeneity is characteristic of every transitional society, being reflected by an amalgam of attitudes, practices and situations. Then, transitional process of institutionalization may be characterized as heterogeneous, because actors live together, at same time, with the old practices, habits and customs and with new regulations arising from institutional process, occurring an imbrication (that the author called overlapping) between "this new system and traditional structures still subsistent"[3:17]. It seems to be contradictory, but to reach institutional isomorphism, organizations may pass through by

this period of misshapen heterogeneity and overlapping. Hence, their destiny might be the same (isomorphism), but the way they use to get there will not be necessarily the same, because it can be formalistic.

Analyzing the historical issues of this study, we may understand in which way formalism is intrinsic in every process of institutionalization in tropical organizations. Due to the fact that in Brazil the State precedes society[1], the institutions were formed basically coercively and through adoption of mimetic mechanisms, displacing cognitive mechanism inherent to genuine Brazilian people tradition, according to Oliveira-Vianna's discourse about the constitution of national law comparing with common law[23]. By being overlooked such mechanisms, the society aims through the formalism to overcome these impositions, trying to adapt themselves to institutions, avoiding to suffer sanctions. It occurs the same in organizational field.

Formalism must be taken into account as component of institutional process in modern organizational studies. The example of Brazilian social endemicity shows that both are perfectly associable. Making this theoretical correlation between formalism and institutionalism, we found more than just a simple correlation: but an existential linkage, not only in organizations of prismatic societies (more prone to formalism), but also in most developed societies.

It is clear during the study that formalism is strategically present in the institutionalization process in several ways: i) in the reduction of risks and uncertainties and in the enhancing of predictability and control through mimetism; ii) in the cushioning of structural impact of new institutions (specially coercive ones); iii) as a shortcut to legitimation of organizations through pseudo-adoption (ceremonialism) of institutions; iv) as component of transitional process amidst pre-institutionalized period (heterogeneity period) and institutionalized period (isomorphic and homogeneous).

After analyzing various theoretical contributions, it is required to build up a definition that may clarify our proposed sense of the term *institutional formalism* applied in this study. We define, hence, institutional formalism as a strategic path adopted by organizations or actors with the intention of being legitimated by the society in which they are embedded without adopting structurally the established institutions. Such institutions are pseudo-adopted by actors to "make-believe", just as a mean to show up ceremonially to society the observance of a rule, norm, believe, law or institutionalized value, ensuring, then, their survival.

The institutional approach, specially associated to formalism, is fundamental for organizations to be prepared to adapt themselves to social control, enabling them through all available tools, to ensure their perennity in social environment, because, according to McIver cited by Oliveira-Vianna, "the prescriptions of social code are not fully accepted, neither evenly obeyed" [23:74]. It is up to organizations to find the best ways to be followed to keep themselves alive in this institutional environment, as it is increasingly global and isomorphic.

6. CONCLUSION AND FURTHER EFFORTS

Our aim throughout this study was to call attention on issues that have been relegated in the study of institutional theory in the organizational field. The central question is the non observance of the gap between the acceptance and adoption of the institutions and the denial of them. In this sense, we argue that the assumption of Oliveira-Vianna[23] about the *charta* and activities gives a clue of what Meyer and Rowan[4] called of ceremonialism. We agree with Machado-da-Silva and his colleagues[19] when stating that the formalism is an institution, remembering the existential linkage of formalism and institutionalism - an institution may exist without formalism, but the formalism cannot exist without another institution –. We tried to show that the institutional formalism may be an unity of analysis that allows to understand the behavior of organizations that act ceremonially.

Beyond this issue, by analyzing institutional formalism we believe that it may be a major contribution for the study of the Institutional Theory applied to organizations embedded in emergent or developing societies. Following the concerns of authors like Riggs[3], Guerreiro-Ramos[1] and Oliveira-Vianna[23], we are aware that the pure and simple application of

theories arising in developed societies cannot be done in emergent societies without the proper caution. Hence, the Riggisian Prismatic Model may be an outstanding support in the study of institutions and institutionalization in such kind of society, not only through the formalism but also through the heterogeneity and overlapping, avoiding analytical myopia.

As aforementioned, during this essay we shed light back to ceremonial issues in the institutionalization process that were brought to discussion by Meyer and Rowan[4]. These questions could be more discussed by institutional theorists for the richness of such debate, and we consider the institutional formalism a key unity of analysis of such phenomenon. Some empirical testing could be applied to determine the trueness of our assumptions and we believe that this could be an interesting factor to be considered in further researches. This kind of research could analyze if the role of institutional formalism could be perceived as a shortcut to legitimation in practice or how effective this practice could be; or measure the intentionality of the formalistic adoption of institutions - if this adoption may be considered strategic or contingent – in different levels of analysis.

Following this rationale, we argue that the institutional formalism is an important and logical path for organizations in search of legitimation and survival in the social environment through the make-believe. In this work we thought in a defensive role of the institutional formalism for organizations that faces the period of institutionalization of an emerging field, or the emergence of new institutions which demands from organizations structural acceptance. Taking as reference the tenets of agency from Giddens[42], it could be an interesting issue for further efforts to investigate if the institutional formalism could play some kind of role in the creation of new institutions, based in the institutional entrepreneurship introduced by DiMaggio[62] or, not only in creation of new ones, but in the maintenance or disruption of existing institutions, according to the institutional work of Lawrence and Suddaby[63].

We are conscious that our proposal of institutional formalism is just a starting point for further studies in this field, but the focus in the issues brought to discussion by this debate may be an aid to the improvement of Institutional Theory as a whole and its application in realities other than it is usually done. Hence, we would like to encourage empirical testings, just as the theoretical discussion of the institutional formalism, believing that it may become a fertile ground to be explored by institutional theorists from now on.

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