A Theory of Institutional Shocks and Organizational Change in Sport

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There have been numerous internal and external shocks that have disrupted the sporting landscape over the last number of years in the United States of America (USA). Shocks can be thought of as unexpected events that disrupt institutional arrangements (Smets, Morris, & Greenwood, 2012). Shocks may result from shifting social values (Rao, Monin, & Durand, 2003), changes in regulatory structures (Edelman, 1992), or from technological advancements (Garud, Jain, & Kumaraswamy, 2002). Examples include endogenous (internal to an organization; Haunschild & Chandler, 2008) shocks such as rampant abuse within an organization like Penn State, Michigan State (Nite & Nauright, 2020), Washington Football Organization (Hobson, et al., 2020), and so many others. It also includes exogenous (external to an organization; Haunschild & Chandler, 2008) shocks including recent events like the COVID-19 global pandemic, the Black Lives Matter (BLM) social movement, and climate crisis events like the California wildfires and Gulf Coast Hurricanes.

Currently, research exploring the effects of shocks in sport organizations has primarily focused on endogenous and exogenous shocks as organizational disruptions. For instance, Nite and Nauright (2020) focus on how universities work to remain legitimate when rampant abuse within athletic departments become public. Additionally, Agyemang, et al. (2018) showed that the individual efforts of some institutional actors can create macro-level institutional shocks, as their work highlights how the 1968 Olympic protests of Tommie Smith and John Carlos disrupted institutional logics of nationalism, competition, politics, and entertainment.

Despite shocks drawing attention from mainstream media and academic scholars, there has been minimal theorization of the nature of shocks and their impacts on institutional change. Indeed, sport management scholars have yet to develop a nuanced perspective of the types of shocks and institutional responses. Consider the differences between the response to Donald Sterling’s racist comments and the response to Senator Kelly Loeffler’s racialized and politically aggressive disapproval of the WNBA’s support for BLM. In the former, a league owner was removed while in the latter the owner was allowed to remain an owner. In this sense, we question whether there are specific institutional shocks that spur a particular type of change or if there are other tangential phenomena occurring that induces organizations to change. As this example illustrates, more nuanced understandings of shocks are necessary for explaining how sport organizations respond to threats of change.

The purpose of this study is to explore and theorize the various types of endogenous and exogenous shocks occurring at the organizational, field, and societal level to develop a theory to better understand how shocks affect change in sport institutions. Our theory considers the type of shock, the impact of the shock, reactions to the shock, and whether change occurs. It is inevitable that an organization will experience shocks (Greenwood, et al., 2002), thus it is incumbent on scholars to develop theory explaining how shocks impact organizational actions and institutional change.