The Multilevel Theory of Legitimacy

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Legitimacy workshop, Lausanne
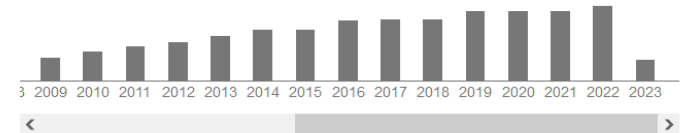
May 8, 2023

What is legitimacy?

- "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" (Suchman, 1995: 574).

- An irreducible whole that is "independent from particular observers" (Suchman, 1995: 576).
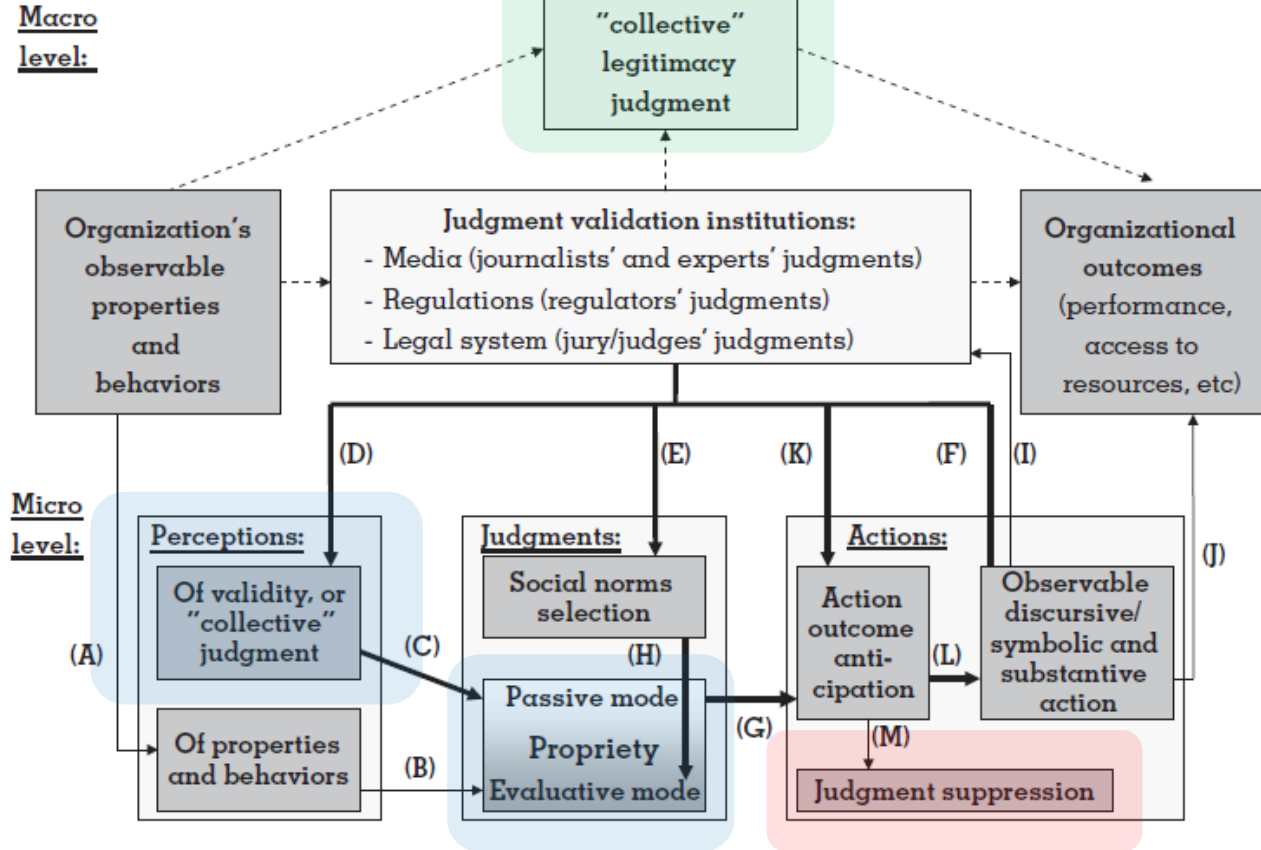

Total citations   Cited by 22745

2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022 2023

Individuals also matter…

- Legitimacy "ultimately exists in the eye of the beholder." (Zimmerman and Zeitz, 2002: 416).

- Importance of "active cognitive processing, information search efforts, and social interactions that precede the formation of legitimacy" (Bitektine, 2011: 151).

- "Individuals' judgments and perceptions constitute the 'micro-motor' […] that guides their behavior, *thereby influencing interactions among individuals, which, in turn, coalesce to constitute collective-level legitimacy and social reality*" (Tost, 2011: 687).

FIGURE 1
A Multilevel Model of Legitimacy Under Conditions of Institutional Stability

Bitektine and Haack 2015, AMR

INTEGRATION

Legitimacy is a complex cross-level process which <u>also</u> involves **individual-level** perceptions, judgments and actions (Bitektine and Haack, 2015).

Validity: Legitimacy at the collective level (the "generalized perception")

Validity belief: The individual perception that there is a generalized perception of legitimacy.

Propriety belief: The private endorsement of an entity.

Evaluators may "silence" their propriety beliefs.

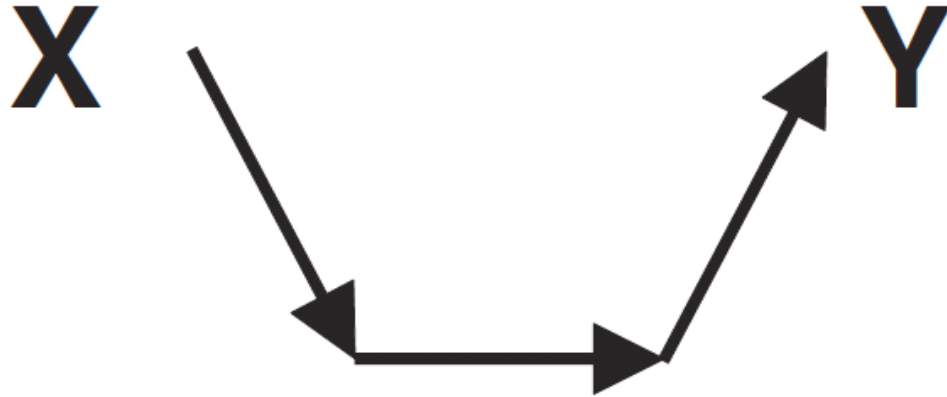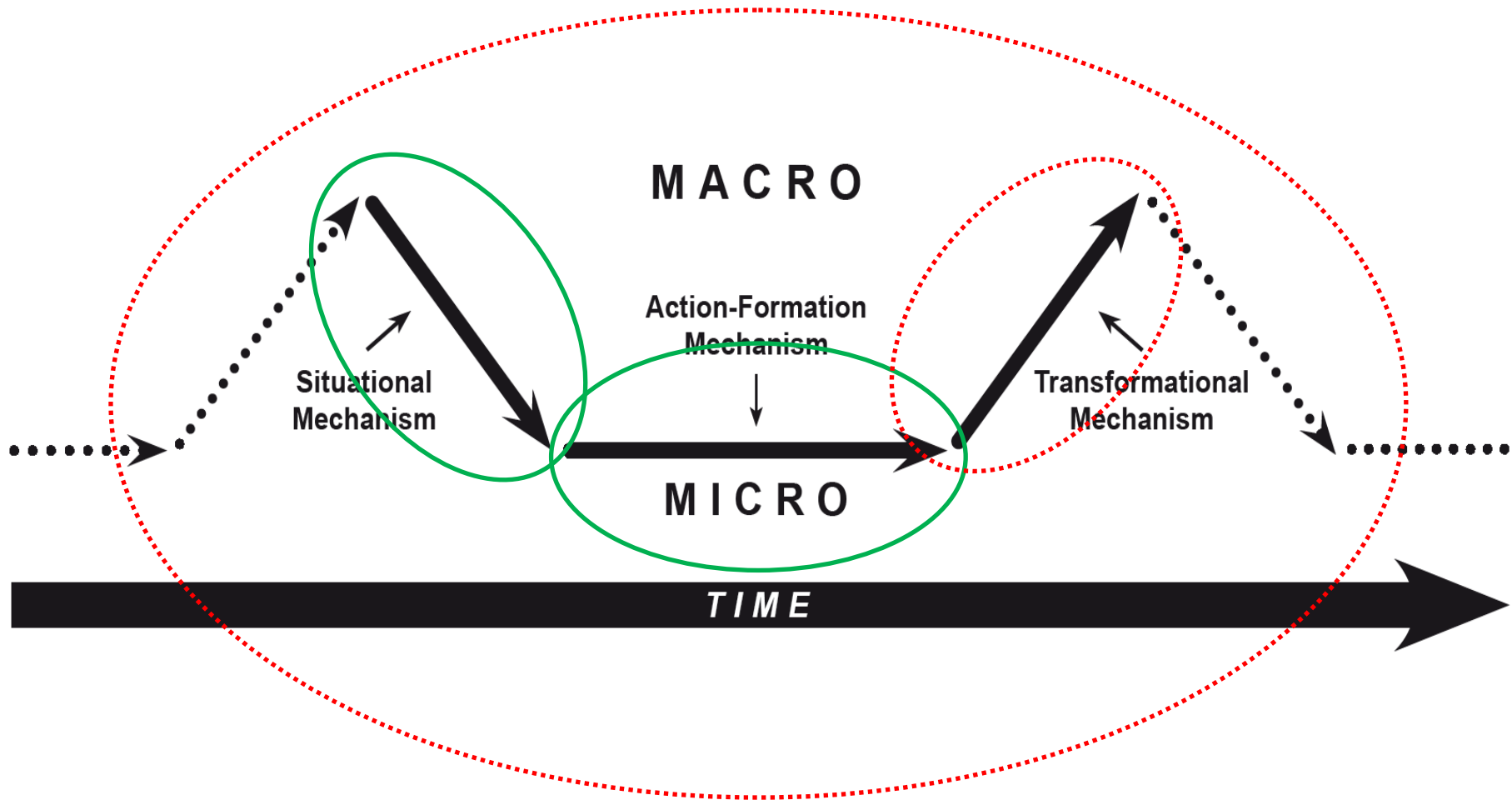**Figure 1:** Simple depiction of X causing Y

Figure 2: Unfolding the macrolevel effect into its microlevel components

Haack, Sieweke, & Wessel (2019, RSO), adapted from Hedström and Swedberg's (1998) mechanism model
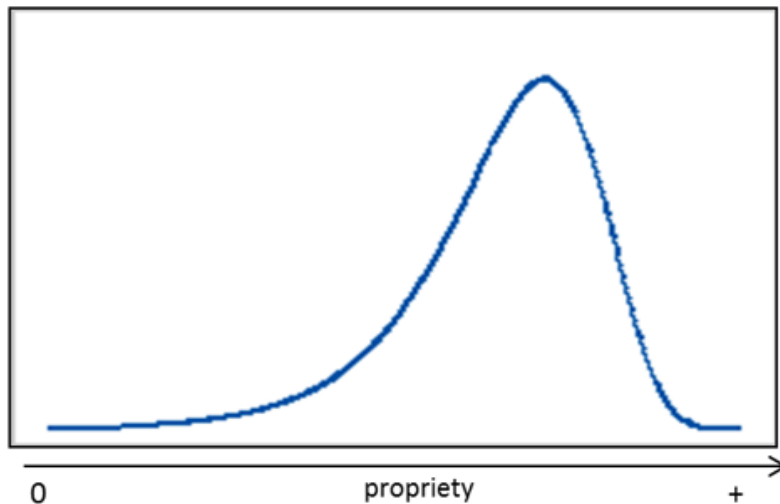
Silencing due to…

- Lack of interest/knowledge
- Peer pressure
- Threat of sanctions by an authority
- Threat of legal action
- Threat of criminal attacks
- Reputational concerns
- Perceptions of futility

Bonardi and Keim 2005; Kuran, 1995; Centola, Willer, and Macy 2005

Consensus vs. validity

- Validity may not reflect "actual consensus" but rather "apparent consensus".

- Whereas consensus and validity overlap in the sense that an institutionalized judgment often reflects consensual approval, ***they are not the same***, given that validity may hide underlying disagreement.

- Macro-level homogeneity may mask private dissent, i.e. micro-level heterogeneity in propriety beliefs.

High consensus

Low consensus

ns of propriety
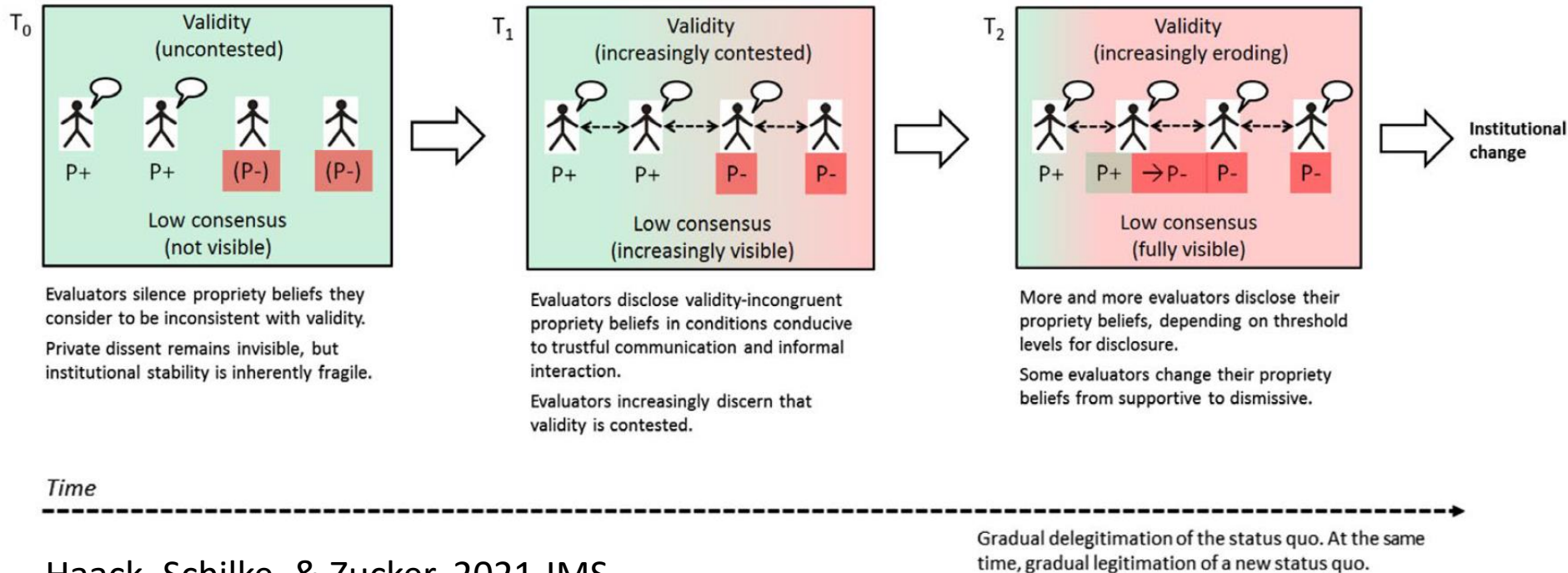e, & Zucker 2021

GEMENT STUDIES

ngling Propriety,

nd Lynne Zucker[c]
ity of California

acy as a multi-level phenomenon compris-
dual evaluator's belief that a legitimacy
idity denotes an institutionalized,
rticle, we refine this multi-level under-
nstruct of 'consensus', which we define
. Importantly, validity and consensus are
onalized perception can hide underlying
a crucial extension of the multi-level
nderstanding of the legitimacy processes
ange. In particular, while previous works
t for institutional change, our account
r assumed) belief distribution within a
dy the interplay of propriety, validity,
mental designs specifically geared towards
components in institutional change.

ge, legitimacy, microfoundations,

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Disclosure of incongruity – Communication matters!

Haack, Schilke, & Zucker, 2021 JMS

Implications for Methods

- Taking communication seriously: Deliberation designs (Anna) and analysis of social media dynamics (Laura, Michael)

- Propriety formation in a context of multiple validity cues: Conjoint analysis (Sonia & Bjorn)

- Behavioral implications of legitimacy judgments (Moritz & Matthieu)

- Bringing back values as an antecedent of legitimacy judgments (Roy)

Need to revisit existing legitimacy scales

"This company contributes positively to society"

=> propriety or validity belief?

Measurement scales for legitimacy need to unambiguously discriminate between propriety and validity beliefs (Haack & Sieweke, 2020, AMD).

Example:

In my **personal view**, this company contributes positively to society" (propriety belief).

Most people consider that this company contributes positively to society" (validity belief).

Back-up

Engage into interdisciplinary collaborations

- Problem: There are fundamental differences in the theoretical assumptions and methodological traditions underlying different disciplines. Besides the "micro-macro" divide there is "disciplinary" divide.

- Need for a pragmatic approach and a "roadmap" for bridging these divides.

- The benefit must be mutual: What does the experimentalist learn form the org researcher?

Molloy et al. 2011, Journal of Management

Example for an "organizational" experiment: Zucker 1977

- Even minimal social interaction leads people to define the world in consistent ways: Social norms persist

- How does this process change through formalization, when some participants are more legitimate than others?

- Adding the aspect of legitimacy caused norms to persist even longer and with less variance

See Heath and Sitkin 2001; Zucker 1977

Examples

College binge drinking
Willer, Kuwabara, and Macy 2009
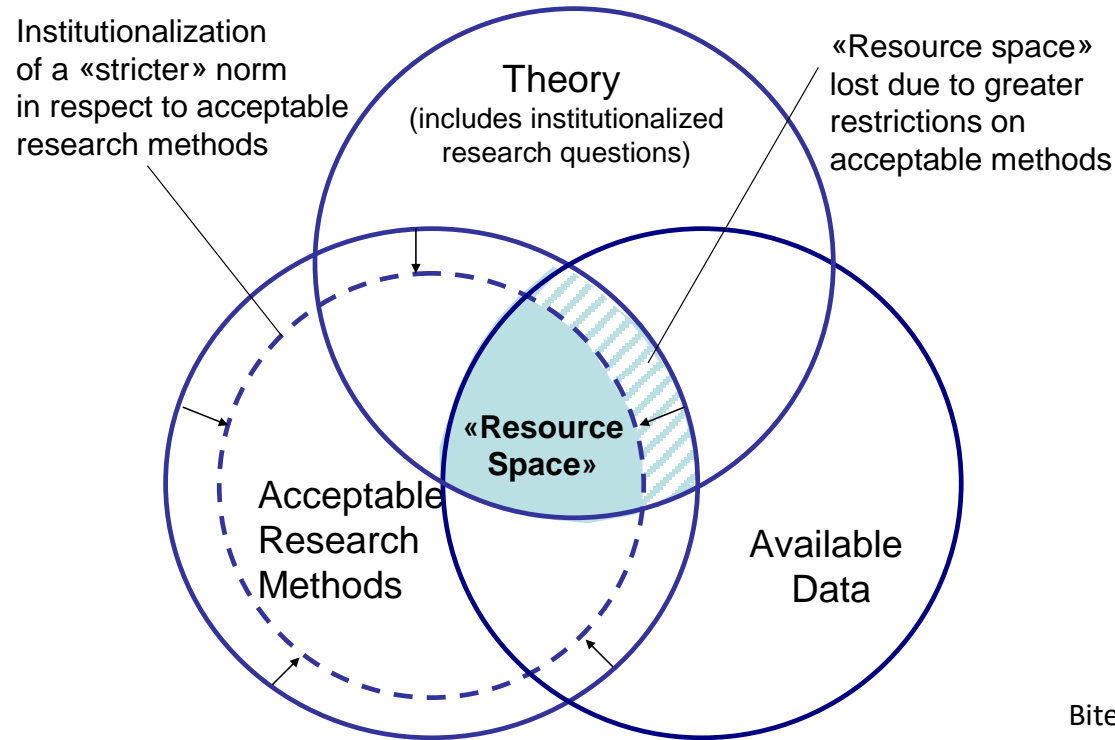
Stability of regimes
Kuran, 1995

Financial analysis
Zhu and Westphal, 2011

Validity and consensus are conceptually distinct. Disentangling them can advance our understanding of the spread of unpopular norms/practices and the occurrence of sudden institutional change.

Increasing the "resource space" of contributions

Bitektine and Miller 2015,
Journal of Management Inquiry

To recap…

	Propriety	Validity	Consensus
Definition	An individual evaluator's personal belief that an object is appropriate.	An institutionalized, collective judgment of appropriateness.	The degree to which evaluators agree in terms of propriety beliefs.
Level	Individual	Collective	Collective

Let participants discuss with/without representatives and measure perceived legitimacy of the Big Four and corporate tax optimization before and after.
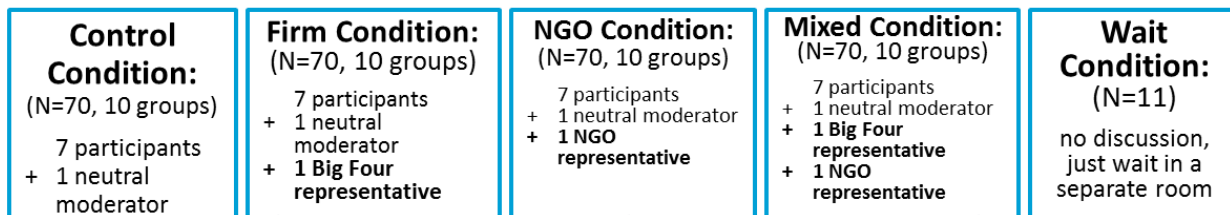
First Part (35 min):
- read information material about the topic
- fill out first questionnaire
- pick cards for random treatment assignment (second part)

15 min   15 min

pro
con

Change rooms (5 min), according to randomly picked cards

Second Part (65 min):
- discuss the topic for 45 minutes in separate rooms
- fill out second questionnaire

45 min   20 min

Control Condition: (N=70, 10 groups)	**Firm Condition:** (N=70, 10 groups)	**NGO Condition:** (N=70, 10 groups)	**Mixed Condition:** (N=70, 10 groups)	**Wait Condition:** (N=11)
7 participants + 1 neutral moderator	7 participants + 1 neutral moderator + **1 Big Four representative**	7 participants + 1 neutral moderator + **1 NGO representative**	7 participants + 1 neutral moderator + **1 Big Four representative** + **1 NGO representative**	no discussion, just wait in a separate room

Big Four representative: employees of a Big Four firm, representing the position of the Big Four
NGO representative: members of a Swiss NGO, advancing a critical view on tax avoidance and on the Big Four