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Title

Anachronism and the Emergence of Novel Organizational Forms

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Title

Anachronism and the Emergence of Novel Organizational Forms: The case of American-style service clubs

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INTRODUCTION

How, why, and when do novel organizational forms emerge? Throughout history, we have witnessed the genesis of numerous novel organizational forms significantly shaping the communities in which they emerge. Yet, the dynamics of existing organizational forms remain firmly the focus of study for social scientists across academic disciplines. While research on the diffusion, evolution, and eventual decline of existing organizational forms has burgeoned (e.g., Naumovska, Gaba & Greve, 2021; Hargadon & Wadhwani, 2023; Marquis & Qiao, 2023), the genesis of novel organizational forms – those that change "the way things are done" – remains relatively under-researched and -theorized (Padgett & Powell, 2012a, p.5; Brahm & Poblete, 2022).

Theoretically, scholars have so far highlighted four categories of mechanisms driving novelty emergence: 1) *Exogenous Jolts* - "a period of prolonged and widespread crisis in which actors struggle to reconstitute all aspects of social life" (Fligstein & McAdam 2012, p. 32) – which can create a vacuum that novel organizational forms can fill (Meyer, 1982; Davis et al., 1994; Fligstein & McAdam, 2012) and allow for differential selection against the incumbent (Hannan and Freeman 1977; Arthur, 1994); 2) *Contradiction* and *Periphery-core dynamics,* at different levels of analysis may initiate emergence. Here, scholars have argued that individuals on the field periphery or those facing contradictions are more likely to drive change (Thelen, 2004). This mechanism category also includes institutional entrepreneurs – individuals, groups, or organizations that can be perceived as purposive, self-interested actors equipped with the ability to mobilize legitimacy and resources to pioneer novel solutions (Eisenstadt, 1964; 1980; DiMaggio, 1988; Aldrich & Fiol, 1994; Lawrence 1999; Greenwood & Suddaby, 2005; Jackwerth-Rice, Koehrsen & Mattes, 2023); 3) *Network Folding*: The translation, re-

combination, or blending of ideas, practices, or structures from different domain networks for the genesis of novel organizational forms (Burt, 1992; Padgett & Powell, 2012; Furnari, 2014); and 4) *Critical Junctures* - periods when normal constraints on actions are relaxed, increasing the potential for introducing novel practices (Katznelson 2003) – may allow for significant shifts and the emergence of new organizational forms. These mechanisms are often co-occurrent (Cattani, Ferriani, & Lanza, 2017), and Johnson and Powell (2017) highlight the critical requirement for a relative "poisedness" of the social world for novel organizational forms to emerge and flourish.

In sum, much of the literature on organizational novelty emergence has focused on the *presence* of actors, networks, or events, examining how these – intentionally or unintentionally – foster organizational genesis. Historically, however, *absence* has also cast defining imprints on communities. For instance, unmapped geographic territories, devoid of charted knowledge, have fostered explorations, producing new knowledge and occasionally catalyzing paradigm shifts (e.g., Kraak, Ormeling & Ormeling 1996; Kraak, 1998). Similarly, institutional voids – gaps in the institutional environment – have fueled entrepreneurial creativity (Khanna & Palepu, 1997; 2010; Mair, Marti & Ventresca, 2012) as entrepreneurs may recognize a void and step in, crafting solutions tailored to unique regional or sectoral challenges by which they reshape entire markets. Data deserts –where data is scarce or non-existent despite an otherwise data-rich environment – drive innovations, pushing researchers and developers to devise new methodologies and technologies (Castro, 2014; Lambrecht & Tucker, 2020; Tucker, 2023). Across these examples, one would argue that perceived absence (unavailability or gap) has been a potent driver for social change. Thus, in this study, we ask: *How and why does perceived absence foster the emergence of novel organizational forms over time?*

METHODOLOGY AND DATA

To examine how perceived absence may shape the emergence process, we conduct a historical, longitudinal case study of the emergence of the first American-style service club – Rotary International. Analyzing archival data in this way demands a detailed, context-sensitive, and time-focused approach (Nelson et al., 2023), integrating methodologies from historiography and qualitative organizational research (Yates, 2014).

A historical case study is well-suited to the study of novelty emergence because it provides two critical advantages over cross-sectional, contemporary data – relationality and temporal

distance. First, it enables a deeper exploration of the evolving nature of actors and relations over time. Following Padget and Powell (2012, p.6), we take the stance that "in the short run, actors create relations; in the long run, relations create actors." As such, social entities may appear static in the short term but are dynamic and evolving in the long term. By examining the social networks and interactions of crucial Rotarians and Rotary International over time, transformational relations become much more visible, and individual actors – whether it be people, organizations, or nations – become less visible, allowing us to theorize around novelty. Second, the historical case study of Rotary International offers an opportunity to analyze a fully realized example of novel organizational emergence (Cattani, Ferriani & Lanza 2017, Carton 2018). This allows for examining the development and eventual establishment of the first American-style service club in relation to its institutionalized form and objectives. The advantage of studying a completed historical case is its ability to provide a temporally layered, retrospective understanding, as observed from a position where most facts are known (Wadhwani et al., 2020). In comparison to contemporary longitudinal studies, a historical approach offers greater "temporal distance" (Rowlinson et al., 2014, p.262), providing a perspective where the events under study have both a past and a future (Yates, 2014). This temporal distance in the study of Rotary International enables a nuanced analysis of its emergence, encompassing early beginnings, delayed effects, and actors' intentional and unintentional actions over time.

We first gathered second-hand contemporaneous and retrospective accounts across several archives (see Table 1 for a data description). We analyzed the case following four steps based on these second-hand accounts, complemented by interviews with Rotary International historians and naturalistic observations of Rotary meetings today. First, we reconstructed the known facts from various sources to develop an understanding of the significant events involved in the founding of Rotary International. We created a detailed case timeline, emphasizing the key events, actors involved, and their relationship. Second, we bracketed the case, allowing us to compare between brackets and explore and develop deeper theoretical explanations (Langley, 1999). We bracketed the case into three phases – *Imprinting* (1868 – 1895), *Yearning for Change* (1895 – 1906), and *Diffusion* (1908-1911). Each of these phases represents a significant change in key Rotarians' actors, relations, and geographies. Third, we began by coding for categories that were of analytical interest. We used our research question to define the initial code categories (Locke et al., 2020), focusing on the perceived absence of practices, domains, and relations. As our study is *not* a grounded theory study but rather a

historical case study, the objective of our coding was "not to uncover unknown facts but to systematize and reinterpret existing knowledge in a way that illuminates key aspects" of how perceived absence shapes over time (Sgourev, 2013, p.1604). Fourth, to develop a theoretical explanation of the role of perceived absence in fostering organizational novelty emergence in the founding of Rotary International, we organized the coded data chronologically, aligning it with the three phases outlined above. This theorizing process enabled us to combine narrative and categorical sense-making approaches and develop more granular theoretical insight into the absence-driven emergence process.

CASE DESCRIPTION

Rotary's journey, starting with the early childhood of Paul Harris, its founder, in rural Vermont, to the emergence of the first American-style service club in 1905 Chicago and their diffusion across the globe, offers a unique perspective by highlighting the stark juxtaposition between individual and collective yearning for community and the broader societal shifts of the time.

The early 20th century, characterized by rapid corporate expansion and a significant demographic shift from rural to urban areas, was a poised environment for this unique emergence. During this era of change, individuals like Paul Harris, the founder of Rotary, experienced a profound sense of absence, a void in their social and professional lives as they transitioned from rural settings to the complexities of urban life.

Paul Harris, reflecting on his early experiences in Chicago, articulated this sentiment of isolation and longing for fellowship, stating,

"The thought persisted that I was experiencing only what had happened to hundreds, perhaps thousands, of others in the great city. ... I was sure that there must be many other young men who had come from farms and small villages to establish themselves in Chicago. ... Why not bring them together? If others were longing for fellowship as I was, something would come of it" (Harris, 1948, My Road to Rotary, Published Version).

This desire for companionship, rooted in his earlier life experiences, profoundly influenced Harris. He noted,

"My love for companionship must have been born in the loneliness of my life in Cambridge. It has been a dominating influence in my life, and I can with reasonable modesty

claim it has been fruitful" (Harris, Undated, My Road to Rotary, Unpublished 1st Draft, File 5, Rotary Club Wallingford Archives, p.6/45).

This pursuit of companionship, as noted by Carvin (2011, p.66), eventually became "one of the cornerstones of an organization known as Rotary." The formation of the Rotary Club of Chicago did not merely offer a new avenue for professional interaction; it fundamentally altered the landscape of business networking, friendship, and community service, particularly in suburban environments. It represented a significant shift in civil society, redefining middle-class life and the culture of voluntary associations across the globe.

THEORETICAL CONTRIBUTION

Theoretically, we *first* put forward the proposal that absence may foster and shape novelty also in organizational forms. In this direction, we highlight the role of perceived absence, which we define as the *shared awareness of the unavailability or lack of a domain*. Our work understands a domain as the 'domain of activity,' whether economic, kinship, political, or religious (see Padgett and Powell, 2012).

The mechanism of 'perceived domain absence' -so far missing in explanations of novelty emergence- is distinct from other mechanisms that accentuate proactive individuals, disruptions, or overlapping network domains because it is intrinsically reactive: it emanates from a collective yearning stemming from the absence of an absent domain (see Table 2 for a comparison between other mechanisms of novelty emergence). It hinges on a shared understanding of and yearning for the absent domain.

Second, we offer a theoretical explanation of how and why novel organizational forms may emerge through the mechanism of perceived domain absence. Figure 1 illustrates our process model on how and why perceived domain absence may drive novelty emergence. For the remainder of this paper, we unpack the model in Figure 1 and address *how and why shared perceived domain absence affects the genesis of novel organizational forms.*

--insert Figure 1 about here --

We draw on micro-foundations of institutional theory and the sensemaking literature to highlight the individual-level behaviors and processes that drive this broader institutional change process. First, we delve into cognitive interpretations of domain absence, emphasizing

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the role of perceptual frameworks in shaping individuals' responses. Depending on their personal experiences and social contexts, individuals might espouse a domain, view it as peripheral (or ambient), or may not even acknowledge its existence. It is essential to note that the process of organizational novelty emergence is particularly evident when a domain is actively espoused. In such instances, individuals recognize the absence of a specific domain and actively engage with it, seeking to address or fill the perceived gap.

A crucial sensemaking process is embedded within this process, where individual cognitions interweave with social interactions, constructing narratives and fostering shared awareness around the domain's absence. This process spans retrospective sensemaking, reflecting on past experiences, and prospective sensemaking, envisioning future pathways amidst absence. Next, we highlight emotional responses as a vital factor in sensemaking. When perceived as a challenge, perceived domain absence can trigger emotions, from loneliness and anxiety to a profound sense of yearning. These emotions, woven into the fabric of shared narratives, magnify the collective engagement and motivation to transcend the existing absence. This drives a process of dynamic enactments that embody the collective's aspirations and strategies. Our model also underscores the strategic dimension of sense-giving. Here, key actors emerge as sense-givers, influencing and steering collective perceptions and narratives. They employ a repertoire of strategies, ranging from storytelling to the mobilization of resources and crafting of interaction spaces, curating a conducive environment for the flourishing of aligned interpretations and collective approaches.

Table 1: Description of Data

Data Types and Dates	Amount and Location	Use in Analysis
<u>Secondary Data</u>		
First-hand, contemporaneous accounts		
Paul Harris Notes and Papers (1889 – 1945)	60 volumes of notes and papers, Rotary International Archives, Evanston (IL, USA)	Provides insight into the personal thoughts, philosophies, and decision-making processes of Paul Harris.
Paul Harris Correspondence (1908 – 1945, bulk 1931 - 1940)	1000+ letters, Rotary International Archives, Evanston (IL, USA)	Offers perspectives on Harris's interactions and communications with early Rotary members and leaders.
Paul Harris Works (1908 – 1948)	Peregrinations Volume II/ IIII; 4 Pamphlets and Booklets; 3 Book introductions; 1 Articles (not published in *The Rotarian*);	
Memorabilia from Harris and early Rotary (1889 – 1945)	Collection of memorabilia, Rotary International Archives, Evanston (IL, USA)	Provides a tangible connection to the early years of Rotary, offering insights into symbolism of the organization.
First-hand, retrospective accounts		
The Founder of Rotary (Harris, 1928)	1 book	A retrospective account by Harris that provides on early years and motivations.
This Rotarian Age (Harris, 1935)	1 book	
My road to Rotary: the story of a boy, a Vermont community and Rotary (Harris, 1948; Unpublished Drafts 1-3 held by the Rotary Club Wallingford Achieves)	1 published book and 3 unpublished, hand-written drafts, Wallingford Rotary Club Archives	Personal and detailed narrative of Harris's journey to founding Rotary.
The Rotarian – The Official Magazine of Rotary International (1911 – 1919)	2000+ pages, Online archives and Rotary	Provides contemporary accounts of Rotary's activities and initiatives.
Second-hand, retrospective accounts		
Paul Harris and the Birth of Rotary (Carvin, 2011)	1 book	Analyzes Paul Harris and the early years of Rotary from a modern perspective
The Golden Strand: An Informal History of the Rotary Club of Chicago (Arnold, 1966)	1 book	Provides a historical overview of the Rotary Club of Chicago
The First Rotarian: Life and Times of Paul Percy Harris, Founder of Rotary (Walsh, 1979)	1 book	
Service Clubs in American Society: Rotary, Kiwanis, and Lions (Charles, 1993)	1 book	Comparative analysis of different service clubs, including Rotary, to understand their role and impact in American society.

Table 2: Mechanisms Driving the Emergence of Novel Organizational Forms.

	Dominant Perspectives in Existing Literatures				Our Proposed Perspective
	Exogenous Jolts	Contradiction/ Periphery-core dynamics	Network Folding	Critical Junctures	Domain Absence
Origin	Exogenous	Endogenous	Endogenous	Endogenous	Endogenous
Theoretical Grounding	Institutional Theory, Org. Ecology; Social Movement, Theory of Fields	Institutional Theories, Network Theory	Institutional Theory, Social Network Theory, Comparative Histography,	Institutional Theories, Political Sociology, Comparative Politics	Institutional Theory; Sensemaking
Definition	"A period of prolonged and widespread crisis in which actors struggle to reconstitute all aspects of social life" (Fligstein & McAdam 2012, p. 32)	"Purposive, self-interested actors whose acumen and creativity allow them to recognize problems and take advantage of enabling conditions to push forward their novel solutions to those problems" (Cattani, Ferriani, and Lanza, 2017, p.967).	"Network transpositions or linkages of one sort or another from one domain to another, which altered the flow of cross-domain biographies in reproducible ways" (Padgett & Powell, 2012, p.26)	"Events and developments in the distant past, generally concentrated in a relatively short period, that have a crucial impact on outcomes later in time." (Capoccia, 2007)	The shared perception of the absence of an espoused domain leads to the infusion of elements of that domain into existing other, present domains.
Key Features	Unexpected and sudden change	Proactive, Actors mobilize resources, legitimacy	"No virgin birth", Sustained by autocatalyzes	Distal Historical Causation	Reactive, Infusion of elements from the missing domain into present domains
Activating Conditions	Major technological, regulatory, or sociocultural shift	Contradiction, Complexity, Plurality	New purpose for old tools, Blending of existing forms,	External shocks, High degree of uncertainty,	Shared perception of a domain's absence, Shared espousedness of the absent domain
Potential Outcomes	Adaptive or evolutionary responses	Broader institutional shifts	Novel, hybrid outcomes	Broader, irreversible institutional shifts	Novel, hybrid outcomes

Figure 1: Absence-driven Novelty Emergence
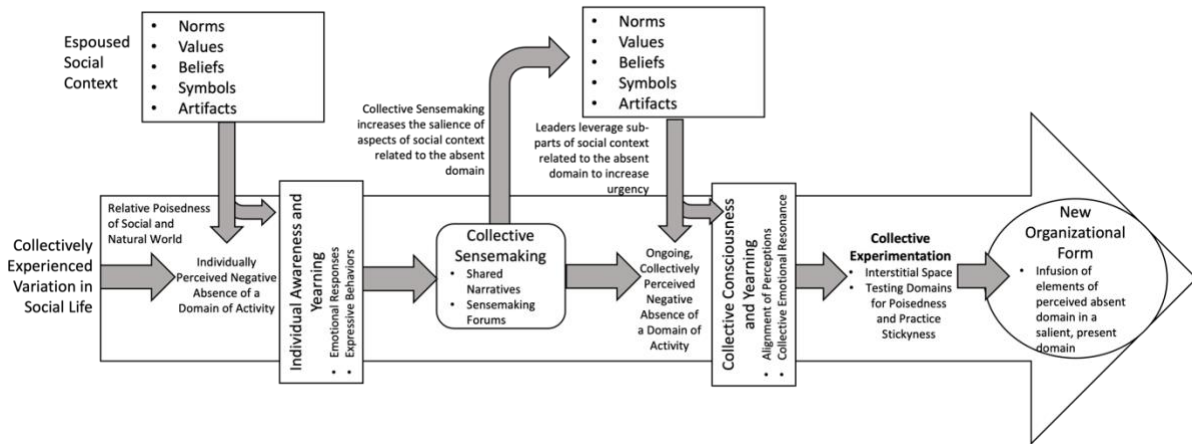
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