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The Silent Assumption of Institutional Theory: Does Good Governance Always Become Institutionalized?

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ABSTRACT **Original Research Article**

The new institutionalist approach assumes that organizations adopt socially accepted norms in their pursuit of legitimacy and that these norms, over time, become embedded in organizational practices and are thus institutionalized. Although this assumption is often not stated explicitly, it nevertheless functions as a silent presupposition underlying the core explanatory logic of institutional theory. By contrast, contemporary public administration reforms-particularly in the context of good governance principles-demonstrate that this assumption does not always find empirical support. Good governance principles are widely adopted and incorporated into legal and organizational structures. This article problematizes this silent assumption of institutional theory. To explain this situation, it proposes the concept of "selective institutionalization." The article argues that legitimacy is not a sufficient condition for institutionalization and that institutionalization should be understood as a contextual, political, and selective process.

Keywords: Institutionalization, Good Governance, Isomorphism, Public Administration, Organizational Legitimacy.

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Introduction

Institutional theory demonstrates that organizations are shaped not only by technical considerations but also by socially constructed norms, rules, and expectations. One of the central claims of this approach is that legitimacy plays a pivotal role in organizational survival and stability. It is argued that organizations that adopt socially accepted norms are perceived as more legitimate by their environments and are therefore better able to sustain their existence.

Within this framework, the institutional literature contains a widespread yet often unquestioned assumption: norms that acquire a sufficient degree of legitimacy become embedded in organizational practices over time and are thus institutionalized. Although this assumption is rarely articulated explicitly in theoretical texts, it is implicitly accepted in many analyses that seek to explain institutionalization.

However, reform experiences observed in the field of public administration in recent years render the problematic aspects of this assumption more visible. Reforms shaped around good governance principles, in particular, demonstrate that the gap between formal adoption and actual implementation can be systematic. This raises a fundamental question regarding the explanatory capacity of institutional theory: why do highly legitimate norms not always become institutionalized?

The purpose of this article is to make explicit this silent assumption of institutional theory and to subject it to critical evaluation. Good governance principles are employed as a

critical testing ground for this assessment. The article advances the hypothesis that institutionalization is not an automatic or linear process.

The Origins of the Silent Assumption in Institutional Theory

The classic texts of the new institutionalist approach have made significant contributions to explaining organizations' pursuit of legitimacy. New institutional theory traces its origins to the work of Scott and Meyer in the late 1970s, and during the 1980s it gained a prominent and formative position in organizational theory largely through the contributions of Powell and DiMaggio. Unlike classical institutionalist approaches, this theory does not treat organizations as isolated and independent entities but instead conceptualizes them as part of broader organizational populations. It argues that organizations adapt to the expectations of their social and cultural environments in order to ensure continuity and to attain social legitimacy.

Institutionalization theory places the concepts of legitimacy and isomorphism at the center of its explanatory framework when accounting for the increasing similarity of organizations over time. According to Meyer and Rowan (1977), organizational structures are not merely the product of technical and functional imperatives; rather, they are shaped primarily by the institutional environment. These structures serve organizations' goals of gaining legitimacy, accessing resources, and sustaining their existence. Meyer and Rowan emphasize that organizational structures are often created in response to social expectations and may therefore take on the character of "myths" and "ceremonies." DiMaggio and Powell, in turn, argue that organizations gradually become more similar to one another as a result of coercive, mimetic, and normative pressures.

Zucker (1987) notes that institutional organizational theories are distinctly differentiated from other organizational approaches. In this context, institutional theories focus on normative pressures exerted on organizations, the determining influence of the external environment, and the processes of isomorphism that explain organizational similarity. In addition, they acknowledge that organizations are shaped within historical and cultural contexts. Organizations' efforts to gain legitimacy and to sustain their existence therefore constitute the central focus of institutional analyses.

Mohr conceptualizes institutionalization as both a process and a variable. In line with this perspective, he develops Zucker's classification into change theory and process theory approaches. Change theory focuses on explaining causal relationships through abstract variables, whereas process theory examines the reciprocal interactions among variables (Scott & Meyer, 1992).

Meyer and Rowan conceptualize formal structure within the symbolic dimensions of organizations. Unlike traditional approaches, they adopt a more holistic perspective toward decision-making processes and structural characteristics. According to them, formal structure consists of symbolic elements that represent organizational functioning, such as mission statements, organizational arrangements, and top-level managers.

One of Meyer and Rowan's key contributions is their demonstration that formal structure is systematically constructed for symbolic purposes. Institutionalized products, services, policies, and programs are shaped through powerful myths that enable organizations to establish symbolic alignment with their environments. However, such alignment does not necessarily imply effectiveness or efficiency. Organizations pursue their activities not only on the basis of rational and technical considerations but also in order to gain legitimacy and to be accepted within the social order (Çeliksoy, 2015).

Meyer and Rowan (1977) address the concept of "myth" in relation to formal organizational structures and institutionalized environments. From the perspective of organizational theory, a myth possesses a deeper and more comprehensive meaning than a simple or superficial narrative. Myths refer to symbolic beliefs, norms, and values that have become taken for granted in organizational life. According to this approach, myths shape the ways in which organizational members perceive and interpret the world. Organizational myths constitute socially constructed narratives that define what is considered legitimate, appropriate, and valuable within a given institutional context. These narratives play a significant role in the formation of organizational culture.

According to Meyer and Rowan (1977), conformity to institutional myths can enhance organizations' legitimacy in their external environments and increase their chances of survival. Structures aligned with the expectations of external stakeholders often provide advantages in terms of access to resources and support. At the same time, however, the weakening of internal coordination and control mechanisms may pose a serious risk to long-term sustainability. For this reason, the implications of organizational structures' conformity to institutional myths for coordination and control should be evaluated by taking into account both internal organizational dynamics and environmental conditions.

The institutional field consists of numerous external elements that influence organizations' structural characteristics and patterns of behavior. These elements include not only institutional pressures stemming from sociocultural norms but also interdependencies arising from interorganizational relations and political influences. Institutional pressures interact with other environmental forces, such as competition and market conditions, thereby shaping the ecological dynamics of organizations. Pressures toward conformity with

institutional norms originate from multiple sources, including social values, the state and powerful institutional actors, professional norms and standards, and uncertainties related to work processes. As emphasized by DiMaggio and Powell, such pressures promote isomorphism among organizations, and the structuring of the organizational field increasingly directs organizations toward more similar and homogeneous forms (Dacin, 1997).

According to DiMaggio and Powell (1983), institutional isomorphic change occurs through three primary mechanisms: coercive, mimetic, and normative. Among these mechanisms, coercive isomorphism refers to organizations' adoption of similar structures and patterns of behavior as a result of pressures originating from the external environment. State regulations, legal obligations, and sectoral standards constitute the principal sources of such pressures. Formal and informal pressures exerted by powerful actors or by societal expectations steer organizations toward particular organizational models, thereby leading to homogenization over time (Beckert, 2010). Mimetic isomorphism refers to organizations' tendency to model themselves after other organizations that are perceived as successful when operating under similar environmental conditions, particularly in periods of heightened uncertainty. In this process, organizations adopt conformity with comparable structures in their environments as a strategic choice to cope with uncertainty. Normative isomorphism, by contrast, emerges when organizations internalize widely accepted patterns of behavior and organizational structures. These patterns are derived from normative sources such as professional standards, ethical principles, and societal expectations. The process of professionalization is likewise understood as a collective effort through which an occupational group defines its modes of work, exercises control over production processes, attains professional autonomy, and thereby establishes legitimacy grounded in a shared cognitive base (DiMaggio & Powell, 1983).

When these studies are considered together, they give rise to the assumption that institutionalization follows a particular developmental trajectory. The acquisition of legitimacy, formal adoption, and internalization are regarded as the core stages of this trajectory. However, this approach exhibits a notable shortcoming: non-institutionalization is not treated as an independent theoretical problem area.

Moreover, conceptualizing institutionalization as a linear and incremental process proves insufficient for explaining the disconnections between organizations' formal structures and their actual practices. While the new institutionalist approach assumes that organizations conform to the expectations of their institutional environments, it tends to accept that such conformity is always reflected in organizational practices and outcomes. Yet, as Meyer and Rowan (1977) point out, organizations may adopt formal structures in order to gain legitimacy, while these structures may be consciously or unconsciously decoupled from everyday activities. This phenomenon is explained in the literature through the concept of "decoupling." Decoupling refers to situations in which organizations formally adopt institutionalized rules, norms, and structures to secure legitimacy, while these elements are only weakly reflected in organizational practices and outcomes.

In the institutional theory literature, decoupling has long been addressed primarily in terms of the misalignment between formal policies and actual practices. More recent studies, however, demonstrate that decoupling is not a unidimensional phenomenon. Bree and Stoopendaal (2018) demonstrate that decoupling is not limited to a simple policy-practice gap, but may occur across multiple levels, including goals, management systems, practices, and outputs. Their findings show that formal adoption does not necessarily translate into effective outcomes (Bree & Stoopendaal, 2018).

This shortcoming becomes more visible in contemporary debates surrounding the concept of decoupling. Within the institutional theory literature, there is no full consensus regarding the scope and boundaries of decoupling. In particular, the "means–ends decoupling" approach advanced by Bromley and Powell (2012) argues that decoupling is not limited solely to symbolic adoption (Bromley & Powell, 2012). It is also argued that "means–ends" decoupling is conceptually in tension with the social constructivist foundations of the new institutionalist approach. It is suggested that the shift of the decoupling concept toward a functionalist orientation generates theoretical ambiguity. Nevertheless, the authors emphasize that decoupling should be understood not as a static condition but as a dynamic phenomenon that can evolve over time toward re-coupling through processes of sensemaking and interaction (Haack, Schoeneborn, & Wickert, 2012).

This linear and holistic assumption of institutionalization has also given rise to more recent debates concerning the limits of the new institutionalist approach. Some scholars argue that classical new institutionalist theory presents a completed and "closed" theoretical structure, particularly through the concepts of isomorphism and decoupling. According to this view, the theoretical framework developed by Meyer and Rowan (1977) and DiMaggio and Powell (1983), while possessing strong explanatory power within specific domains of application, has neither been substantially extended nor replaced by later approaches such as institutional entrepreneurship, institutional work, and institutional logics (Aksom, Zhylinska, & Gaidai, 2020). Aksom and his colleagues argue that these newer approaches offer limited explanatory frameworks that relabel existing concepts rather than providing genuine theoretical advancement. This debate points to the inadequacy of addressing institutionalization processes solely through adoption and internalization. It brings greater visibility to the question of why and how institutional structures become dysfunctional or decoupled.

However, this classical formulation of decoupling has been subject to various critiques over time. First, decoupling has most often been examined through the disjunction between formal policy and actual practice. This has led to the effects of decoupling on organizational outputs and performance being relegated to a secondary position. As a result, decoupling frequently proves insufficient for explaining the causes of organizational dysfunctions or failures.

Moreover, the concept of decoupling has been progressively expanded to encompass various forms of misalignment across different organizational levels, leading to a blurring of its analytical boundaries and a weakening of its explanatory power (Haack, Schoeneborn, & Wickert, 2012). These critiques suggest that decoupling should be understood as a dynamic phenomenon rather than a static condition.

In this context, Bree and Stoopendaal (2018) demonstrate that decoupling is not limited to a simple policy–practice gap but may occur across multiple levels, including goals, management systems, practices, and outputs. Their findings show that formal adoption of institutional reforms does not necessarily translate into effective outcomes.

These insights indicate that non-institutionalization does not reflect outright resistance, but rather situations in which formally adopted structures fail to produce intended organizational effects. Although concepts such as “decoupling” and “symbolic adoption” capture the misalignment between formal structures and actual practices, the questions of why this misalignment becomes persistent and why it affects some norms more than others remain insufficiently explored. This suggests that institutional theory relies too heavily on an implicit assumption regarding outcomes.

These theoretical debates are of particular importance for understanding decoupling and non-institutionalization in the context of public administration. Accordingly, decoupling in public administration should not be regarded merely as an indicator of symbolic conformity, but rather as a structural problem area in which disconnections emerge between policy goals, administrative capacity, and actual outcomes.

It is important to note that this critique is primarily directed at early formulations of sociological institutionalism, particularly those associated with Meyer and Rowan (1977) and DiMaggio and Powell (1983), which tend to imply a linear progression from legitimacy to institutionalization.

More recent developments in institutional theory-such as institutional work, institutional entrepreneurship, and institutional logics-have already emphasized agency, contestation, and partial institutionalization. The present study builds on these developments while arguing that the assumption of automatic institutionalization still implicitly shapes much of the literature.

Good Governance Principles: A Theoretical Testing Ground

Good governance principles constitute a normative framework that is almost universally accepted in contemporary public administration literature.

Good governance refers to an approach to governing that secures mechanisms of representation, participation, and oversight in the administration of a country, and that is grounded in fundamental principles such as an effective civil society, the rule of law, the strengthening of local governments, transparency, and accountability. This approach is based on high standards of quality and ethical values. In addition, good governance encompasses adaptation to digital transformation and new technological innovations (Aktan & Çoban, 2006).

Participation, transparency, accountability, a decentralized approach to governance, political ethics, a focus on quality, merit-based human resource management, the promotion of competition in service delivery, the rule of law, the limitation of political power, governance based on rules and institutional structures, digital information management, administrative ethics, adaptation to digital transformation, a strong and effective civil society, oversight mechanisms, a total quality management approach, rules and constraints, and the principles of decentralization are among the core elements and principal foundations of good governance (Aktan & Çoban, 2006) (Aktan, 2015). According to another source, five fundamental principles of good governance constitute the foundations of an effective and equitable system of governance. These principles are identified as legitimacy and participation, strategic vision, performance, accountability, and justice (Graham, Amos, & Plumptre, 2003).

Principles such as transparency, accountability, participation, the rule of law, and effectiveness are promoted by international organizations and occupy a central place in reform agendas across many countries. From the perspective of institutional theory, good governance principles provide a highly favorable ground for institutionalization. These principles enjoy high legitimacy, are widely adopted, and are supported by powerful legal actors. Accordingly, the theoretical expectation is that these principles will, over time, become embedded in the everyday functioning of public organizations.

However, empirical observations reveal that institutional reforms do not always produce the expected transformation in organizational behavior and implementation practices. Good governance principles-such as transparency, accountability, participation, and effectiveness-are incorporated into legal regulations, strategic documents, and formal policy frameworks in many countries. Nevertheless, it is evident that these principles often fail to fully permeate organizational decision-making processes, oversight mechanisms, and bureaucratic patterns of behavior.

Comparative governance assessments conducted by the OECD indicate that, although reforms in public organizations are often strongly adopted at the level of legislation and strategy, significant gaps persist in terms of implementation and performance. In particular, reform processes related to public procurement show that transparency, digitalization, and strategic orientations have been integrated into legal and institutional frameworks in many countries. However, it is emphasized that these reforms frequently fail to produce the expected impact in practice due to capacity deficiencies, institutional fragmentation, and limited monitoring and evaluation mechanisms (OECD, 2025 (a)).

Similarly, reforms aimed at enhancing communication and accountability in public administration are often observed to remain at a symbolic level. In the case of France, despite the implementation of extensive institutional and organizational reforms to restructure public communication as a strategic management tool, it is noted that the effects of these reforms on policy outcomes and citizen trust have not been systematically measured. Deficiencies in evaluation and feedback mechanisms render visible the disconnection between formal reforms and actual practices (OECD, 2025 (b)).

Reforms in public procurement that prioritize objectives such as collaboration, innovation, and professionalization exhibit a similar pattern. In the cases of Slovenia and Estonia, strategic public procurement objectives are clearly articulated in national policy documents. In practice, however, it is reported that differences in local-level capacity, problems of institutional coordination, and deficiencies in professional competencies constrain the realization of these objectives (OECD, 2025 (c)) (OECD, 2025 (d)). This situation illustrates the decoupling between the formal adoption of institutional reforms and everyday administrative practices.

Similarly, in countries that have adopted comprehensive strategies aimed at developing innovative public procurement policies, hesitation at the implementation level, risk aversion, and the persistence of traditional bureaucratic routines are frequently observed. The case of Croatia demonstrates that, although innovative public procurement features prominently in strategic documents, its practical implementation remains limited, with institutional capacity deficits and entrenched administrative habits identified as key underlying factors (OECD, 2025 (e)).

From a broader perspective on public administration, the OECD Public Governance Review of Jordan presents a similar picture.

Although comprehensive legal and strategic frameworks aimed at transparency, accountability, and participation have been established in the country, it is noted that reforms have produced limited impact at the implementation level due to weaknesses in monitoring and evaluation systems and ambiguities in inter-institutional roles (OECD, 2024). These findings indicate that institutional reforms in public administration often remain at the level of symbolic conformity. Within this framework, the empirical evidence demonstrates that the phenomenon of decoupling discussed in the new institutionalist literature constitutes a widespread and systematic feature of public administration. While the adoption of reforms at the legal and organizational levels is significant for the production of legitimacy, the limited change observed in implementation, oversight, and behavioral dimensions suggests that the institutionalization process remains incomplete.

This situation should be understood not as a failure of good governance, but rather as a structural pattern that points to the selective nature of institutionalization.

When the empirical findings presented above are considered together, a patterned form of institutionalization becomes visible. Norms related to efficiency, performance, and digitalization tend to be more readily implemented, whereas norms associated with accountability, transparency, and participation are more likely to remain at a symbolic level.

This pattern suggests that the gap between formal adoption and implementation is not random or incidental, but structured and recurrent across different institutional contexts.

Although the present analysis relies primarily on OECD public governance reviews, similar patterns have been identified in broader governance literature, including studies based on World Bank Governance Indicators and governance assessments in developing country contexts. These findings further support the argument that selective institutionalization reflects a generalizable structural tendency rather than isolated cases.

Table 1. Comparative Patterns of Selective Institutionalization in OECD Cases

Country	Transparency	Accountability	Participation	Performance / Efficiency	Key Constraint Identified
France	Formally strong, weak evaluation in practice	Limited measurable impact	Limited citizen engagement outcomes	Relatively strong (administrative reforms implemented)	Weak monitoring and evaluation mechanisms
Estonia	Strong in digital transparency	Moderate	Limited at local level	Strong (digital governance capacity high)	Capacity variation across institutions
Slovenia	Formally adopted	Moderate	Limited	Moderate to strong	Coordination problems and capacity constraints
Croatia	Weak in practice despite strategic emphasis	Weak	Weak	Moderate	Risk aversion and bureaucratic inertia
Jordan	Formally established legal framework	Weak implementation	Limited	Moderate	Weak oversight systems and institutional fragmentation

The comparative evidence presented above demonstrates that institutionalization outcomes vary systematically across different governance principles. While performance-oriented and efficiency-related reforms tend to be more successfully implemented, principles such as transparency, accountability, and participation remain weakly institutionalized across multiple contexts. This pattern supports the argument that institutionalization is selective rather than uniform, and that structural constraints-particularly capacity limitations, monitoring costs, and coordination problems-shape the uneven implementation of institutional norms.

The Concept of Selective Institutionalization

In order to avoid conceptual ambiguity and to distinguish selective institutionalization from existing concepts in the literature, this study defines selective institutionalization in an operational manner.

Selective institutionalization can be defined as the patterned variation in the degree of implementation of institutional norms across organizations, whereby norms that conflict with existing power relations, impose high monitoring and compliance costs, or exceed organizational capacity are systematically under-implemented or maintained at a symbolic level.

Unlike general accounts of decoupling, which primarily describe the existence of a gap between formal policies and actual practices, selective institutionalization seeks to explain why this gap is not evenly distributed across institutional norms and why it persists over time in a structured manner.

This article proposes the concept of "selective institutionalization" to explain the pattern identified above.

Wisler and Giugni (1996), by examining the impact of political institutions on social movements through the concept of "institutional selectivity," demonstrate that institutions are not equally open to all movements. They show that institutions facilitate certain types of movements while structurally constraining others (Wisler & Giugni, 1996). This approach analyzes which demands institutions grant access to.

The present study, by contrast, focuses on the process of "selective institutionalization," which refers to the selective transformation of demands, actors, and discourses that begins after access to the institution has been granted and these elements have been incorporated into the institutional setting. In this sense, institutional selectivity points to a mechanism that determines whether movements are able to enter institutions, whereas "selective institutionalization" seeks to explain which components of movements that have entered institutions become enduring.

While institutional theory expects highly legitimate norms to be adopted by organizations and, over time, internalized and institutionalized, it remains insufficient in explaining why this process is not completed in some cases and why it systematically fails for certain norms. In particular, the concepts of decoupling and symbolic adoption describe the disjunction between formal conformity and actual practice, yet they provide only limited answers to why this disjunction becomes persistent and why it affects some norms more than others (Meyer & Rowan, 1977; Bromley & Powell, 2012; Haack et al., 2012).

Selective institutionalization refers to the process by which organizations, rather than holistically internalizing highly legitimate institutional norms, permanently institutionalize those elements that are compatible with existing power relations, organizational interests, and administrative capacity, while retaining elements that are incompatible with these conditions at a symbolic and superficial level. This process does not indicate a incidental lack of implementation or a temporary problem of compliance. Rather, it reflects a mechanism of selectivity that is consistently reproduced over time and becomes an institutionalized pattern.

Selective institutionalization is not a form of open resistance to institutional pressures. Organizations formally adopt these norms in order to maintain their legitimacy. However, this adoption does not evolve into a process of internalization that encompasses all dimensions of the norms.

In this respect, selective institutionalization intersects with, yet is analytically distinct from, the concept of decoupling discussed in the new institutionalist literature. While decoupling is often treated as a condition describing the gap between policy and practice, selective institutionalization focuses on explaining why this gap concentrates around particular norms and why it does not disappear over time.

While the concept of decoupling has been widely used to describe the disjunction between formal structures and organizational practices, it does not fully account for the patterned nature of this disjunction. Decoupling primarily identifies the existence of a gap, but provides limited analytical tools for explaining why certain norms are systematically more prone to weak implementation than others.

Selective institutionalization, by contrast, focuses on the distribution of institutionalization across different norms. It suggests that institutionalization is not a uniform process affecting all norms equally, but rather a selective process shaped by structural constraints and organizational strategies.

In this sense, selective institutionalization complements rather than replaces the concept of decoupling by providing an explanatory layer that accounts for the persistence and concentration of policy–practice gaps.

Table 2. Selective Institutionalization vs. Decoupling

Dimension	Decoupling	Selective Institutionalization
Core Focus	Explains the gap between formal policies and actual practices	Explains why this gap is unevenly distributed across different institutional norms
Analytical Level	General policy–practice disjunction	Norm-specific variation in institutionalization
Nature of the Gap	Often treated as situational or context-dependent	Structured, patterned, and recurrent across contexts
Temporal Perspective	Can be temporary or transitional	Persistent and systematically reproduced over time
Explanatory Mechanisms	Broadly attributed to institutional pressures and symbolic adoption	Specifically linked to power relations, oversight costs, and organizational capacity
Outcome Expectation	Gap may decrease over time through recoupling	Certain norms remain consistently under-institutionalized
Theoretical Contribution	Descriptive (identifies the existence of misalignment)	Explanatory (accounts for the distribution and persistence of misalignment)

This concept approaches institutionalization not as a binary outcome (present/absent), but as a fragmented and graduated process. Norms operating within the same institutional framework do not possess equal potential for institutionalization from the perspective of organizations. In particular, norms that constrain organizational discretion, intensify oversight, and require the sharing of power are more likely to be maintained at a symbolic level. By contrast, norms that enhance administrative capacity and align with discourses of performance and effectiveness are more readily embedded in organizational practices. This demonstrates that institutional conformity is not homogeneous, but occurs in a selective manner.

Good governance principles provide a particularly suitable example for making the pattern of selective institutionalization visible.

Within this framework, the concept of selective institutionalization indicates that the relationship between legitimacy and internalization in institutional theory is not linear. Legitimacy may be a necessary condition for formal adoption; however, it is not sufficient on its own for institutionalization to occur. Institutionalization should be understood as a political and selective process shaped by the strategic choices of organizational actors, power relations, and contextual constraints.

Selective institutionalization is not an incidental or temporary problem of compliance. This article argues that selective institutionalization operates through three core mechanisms: power relations, the costs of oversight, and organizational capacity.

Institutional norms affect the distribution of power within organizations in different ways. Selective institutionalization operates in particular by keeping norms that threaten existing power relations at a symbolic level. Principles such as accountability and transparency encounter resistance insofar as they constrain managerial discretion and render decision-making processes more visible. By contrast, principles that enhance administrative capacity-such as effectiveness or performance-are more easily institutionalized because they do not challenge existing power structures.

Some institutional norms require not only adoption but also continuous monitoring and external oversight. Principles of transparency and accountability necessitate costly processes such as information production, reporting, and independent auditing. In order to reduce these costs, organizations may formally accept these norms while limiting their implementation. This leads to the selective realization of institutionalization.

Institutionalization requires not only normative acceptance but also technical and administrative capacity. Complex oversight and participation mechanisms demand a certain level of organizational learning and institutional infrastructure. In contexts where such capacity is limited, organizations may prefer to keep institutional norms at a superficial level. In this way, selective institutionalization also emerges as a consequence of capacity constraints.

The concept of selective institutionalization also generates a set of empirically testable propositions:

P1: Institutional norms that constrain managerial discretion (such as accountability and transparency) are less likely to be fully institutionalized.

P2: Institutional norms that require continuous monitoring, reporting, and external oversight are more likely to remain at a symbolic level due to high implementation costs.

P3: Institutional norms that demand advanced administrative and technical capacity are selectively institutionalized depending on the level of organizational capacity.

These propositions indicate that institutionalization is not only a function of legitimacy, but also of structural compatibility between institutional norms and organizational conditions.

Alternative Explanations and Limitations

While this study emphasizes structural factors such as power relations, oversight costs, and organizational capacity, alternative explanations for the gap between formal adoption and implementation should also be considered.

First, good governance principles may be inherently ambiguous, making their practical implementation difficult regardless of organizational intent. Concepts such as transparency or participation can be interpreted in multiple ways, leading to variation in implementation outcomes.

Second, the observed gap may reflect a temporal dimension rather than a structural one. Institutionalization processes may require longer time horizons, and the persistence of gaps may indicate that institutionalization is still ongoing rather than selectively constrained.

However, the cross-national and recurrent nature of the patterns observed in this study suggests that these explanations are not sufficient on their own. The systematic concentration of weak implementation around specific types of norms indicates the presence of underlying structural mechanisms rather than purely conceptual ambiguity or temporal delay.

Conclusion

This article has critically examined an assumption of institutional theory that is often accepted without question. The discussion conducted through the lens of good governance principles demonstrates that highly legitimate norms do not always become institutionalized and that institutionalization is a contextual, political, and selective process.

The concept of selective institutionalization offers institutional theory a more analytically precise way of conceptualizing this process. This approach contributes not only to a better understanding of good governance reforms but also to strengthening the overall explanatory power of institutional theory.

This study contributes to institutional theory by moving beyond the implicit assumption that legitimacy leads to institutionalization in a linear and automatic manner. Instead, it demonstrates that institutionalization is a selective, structured, and politically mediated process shaped by power relations, organizational constraints, and contextual factors.

By introducing the concept of selective institutionalization, the study provides a more analytically precise framework for understanding why certain institutional norms become embedded in practice while others remain symbolic.

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