

## **Improvising Institutional Change: How IBM accidentally changed the computer industry**

Institutional change has been conceptualized as a process where exogenous jolts destabilize an organizational field thus creating opportunities for institutional entrepreneurs, acting at the peripheral of the organizational field, to strategically and intentionally find ways to transform its existing institutional arrangements.

Less attention has been given to the action of the incumbent seeking to “find their way” amongst the destabilizing change occurring in its field. Unlike institutional entrepreneurs, these incumbents have no intention or desire to transform institutional arrangements, but do so accidentally through the improvisation of its practices. This paper explores this type of institutional change through an historical case of the emerging personal computer industry and IBM’s response to this new technology. IBM, a strong incumbent in the computer industry, had no intention of transforming existing institutional arrangements of the computer field, but did so through its improvisation of practices as a way quickly develop its new personal computer. Through its improvisation, not only did IBM become an early market leader personal computers, it transformed the organizational field. Taking a retrospective look at the emergence of the personal computer, what becomes apparent is that the institutional change that occurred had less to do with technology change and more to do with IBM’s change in its practices. This case study demonstrates that that institutional change can originate from incumbents’ improvisation of its practices with no other purpose other than to respond and remain relevant during periods of destabilizing change.

## **What is new about my project**

The literature of institutional change is dominated by two schools of thought. The first is institutional change originating from exogenous shocks, primarily originating from events within the political, regulatory, social and technological realms. The emphasis is placed on how these shocks become the impetus for destabilization which then opens the door for alternative ideas and practices than lead to institutional change.

The second school of thought focuses on the idea of institutional entrepreneurs as agents of change. These actors, typically at the peripheral of the organizational field, purposefully and strategically introduce alternative ideas and practices as a way to instigate institutional change. Here, institutional change is seen as an outcome from intentional action and strategy.

This project explores a third and largely unexplored path towards institutional change, which emphasizes the incumbent, with no intention to challenge or disrupt the institutional arrangements, as the agent of institutional change. Institutional change is seen here as the result of improvisation.

## **Where I need help**

This project is in its early stages. The intent is to conduct a historical case study of the emerging personal computer technology and IBM's response to this technological change. Initial historical research that I have conducted suggests that IBM's response was not to intentionally change institutional arrangements, but did so as they were attempting to deal with this competence-destroying technological change. I would like general feedback on the potential contribution of this idea and help and feedback with my research method, specifically historical research. I would also like some perspective on what I believe to be seeing, which is an

incumbent improvising its practices during a period of emerging technological change that accidentally led to institutional change.