




Where Does Competition Come From? The role of organization

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Abstract

Although an ever-increasing number and types of organizations are expected to compete, the origins of competition have been a neglected topic. By assuming that competition simply emerges, organization theory currently lacks an understanding of when and why organizations compete. In this article we critically review and extend existing literatures on competition to offer an organizational theorization of the origins of competition. We argue that competition is the social construction of its four constitutive elements: actors, relationships, scarcity and desire. Furthermore, we show that three types of actors – those who compete, those who adjudicate the competition, and those who have an interest in creating competition – can construct competition independently or in concert. We also discuss different types of organized competition; the role of rankers, prize givers and other actors interested in creating competition; and competition as an unintended consequence of organization. Finally, we outline future research on competition and organization that follows from our conceptualization, along with some normative implications.

Keywords

actorhood, competition, contest, institutions, prizes, rankings, social construction

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Introduction

Although competition has long been a central concept in the design of economic markets and democratic systems (Schumpeter, 1942), it has recently become popular as a tool to govern organizations more broadly. Under the guise of ‘marketization’, governments let several providers compete in order to provide a wide range of products and services – from garbage collection to schooling, healthcare, elder care and military services (Hood & Dixon, 2015; Kjaer, 2015; Singer, 2003). The hope is that competition will improve the performance of individuals and organizations (Hayek, 1978; Le Grand, 2009; Porter, 1990). Few organizational fields today remain untouched by competition.

In contrast to other widely used tools for governing the workings of organizations, such as total quality management or various standards and rankings (Brunsson & Jacobsson, 2000; Espeland & Sauder, 2007; Guler, Guillen, & Macpherson, 2002), organization scholars are surprisingly silent on the preconditions and constitution of competition. Although numerous studies detail the effects of competition on life chances and behaviour of organizations (Barnett & Carroll, 1987; Baum & Mezias, 1992; Gresov, Haveman, & Olivia, 1993; Hannan & Freeman, 1977; Ingram & Inman, 1996), their authors take the existence of competition as a given. Little is known about the ways in which competition is introduced among and inside organizations; in most cases, it is simply assumed to emerge, as if endemic to human nature. A few studies detail the drawn-out processes of its institutionalization (Dobbin, 1994; Werron, 2015), but they do not address such basic questions as when and why organizations compete – questions that should be fundamental to organization theory. If these questions are left unasked, organization theorists will unreflectingly reify competition as a natural and unavoidable aspect of organization. Taking inspiration from Harrison White’s (1981) work, therefore, we ask: ‘Where does competition come from?’

Although competition is a primary social phenomenon and a key concept in social science, there is no agreed-upon definition of competition, and the concept is often used without a clear definition. When taken seriously, the theorization of competition is piecemeal and often narrowly confined to those who compete. Earlier work on competition falls broadly into three perspectives: competition as the presence of specific market actions (Baum & Korn, 1996; Miller & Chen, 1994), as a particular structural constellation of actors in relation to a resource (Burt, 1993; Hannan & Freeman, 1977; McNulty, 1968) and as the collective framing and sensemaking of a situation as competitive (Cattani, Sands, Porac, & Greenberg, 2018; Kaplan, 2011; Porac & Baden-Fuller, 1989). The proponents of these perspectives have invoked competition for a particular purpose: to explain the dynamics of competition, specific market-based outcomes, and the identification of particular other organizations as competitors, respectively. Yet they have never aimed at explaining the origins of competition.

Departing from the idea that competition is not a given, but a social construction that requires explanation, we critically review earlier work to propose a new theorization of competition and its origins that is grounded in organization theory. Our theorization is closest to the sensemaking perspective, but we expand on this perspective in two significant ways: by identifying the elements of competition, and by expanding the number of actors that we consider as potential constructors of competition.

First, we parse the construction of competition into the construction of its four constituent elements: actors, their relationship, senses of scarcity and a desire for something. Competition is the construction of a relationship among actors that centres on something scarce and desired. The actors could be individuals or they could be organizations, such as firms, political parties or sport teams, the members of which believe that others share their desire for scarce objects such as attention, status, customers’ money or popular votes. These four elements are present in earlier conceptualizations of

competition (Dennis, 1975; Hannan & Freeman, 1977; McNulty, 1968), but they are usually taken for granted and left unproblematicized – which has led us to the current analytical dead-end wherein competition is assumed simply to emerge when the conditions are right. In contrast, our definition allows us to interrogate the institutional and organizational basis for the construction of the four elements, and thereby to theorize the origins of competition.

Second, we expand the set of actors that construct competition. Earlier work has focused on the constructions of competition by managers within a cognitive community, but we recognize that there also are other significant actors. A competitive situation not only comprises the competitors and the ‘third parties’ that choose among competitors (cf. Simmel, 2008), but often also ‘fourth parties’ that organize others in a way that stimulates competition. Examples of fourth parties include states (Dobbin & Dowd, 1997), corporate headquarters (Tsai, 2002), rankers (Brankovic, Ringel, & Werron, 2018), prize-givers (Rao, 1994) or managers in a bureaucracy (Blau, 1954). The neglect of fourth parties in earlier work on competition has severely underplayed the role of organization.

The ease with which competition can be constructed is contingent upon the institutional context. The emergence of organizations with strong actorhood, increased interconnectedness and institutionalized striving for high status are examples of cultural conditions that enable the construction of competition. Even when institutional conditions are conducive, however, competition is not certain. In many cases, competition requires decisions and organizational efforts, the availability of which depend on the actor. A state, for instance, typically has a wider set of possibilities for constructing competition than does a single organization or group of individuals. The conditions for one type of actor to organize competition also depend on earlier efforts by others. By theorizing the origins of competition in this way, we also introduce the possibility for the inadvertent construction of competition.

Our main claim – that competition is contingent upon specific institutional conditions and often requires organization – suggests several fruitful lines of inquiry. To begin with, it opens up a new dimension on the relationship between competition and organizations. Although competition has been previously considered a key factor in organizational environments (Chandler, 1977; Cyert & March, 1992; Hannan & Freeman, 1977), our theorization clarifies that organizations are co-constructors of their competitive environment. Significant questions for organization theorists are when and why a situation is constructed as competition. Apart from offering a deeper understanding of when and why organizations compete, our theorization offers a new analytical vantage point on one of the current-day master trends: the spread of competition throughout all sectors of society (Hood & Dixon, 2015; Le Grand, 2009). In particular, it gives us cause to be sceptical of any explanation of the emergence of competition as a natural phenomenon, or as the outcome of its alleged efficiency (cf. Hayek, 1945; Hirschman, 1982; Schumpeter, 1934); rather, it points our attention towards broader institutional changes and to the role of interests and the organization of competition across different social spheres and over time.

Several interrelated lines of institutional and organizational inquiry follow from the idea that competition should be explained rather than taken for granted. If institutions affect the construction of competition, institutional change and variation should matter for when and how there is competition. And if competition is organized, questions of power and interest follow. In whose interest is it that organizations compete? When and how is competition a technology of power? Who can and who cannot act as an organizer of competition? What are the organizational means and techniques for the construction of competition? Conversely, an almost entirely blank area of research concerns the limitation and removal of competition. Is it possible to isolate competition to a circumscribed part of an organization, or does it spread throughout and perhaps even across organizations? Once introduced, can it be organized

away? These are important questions, given the increasingly critical findings of the efficacy of competition in schooling and healthcare, for instance (Ball, 1993; Propper, Burgess, & Green, 2004; Rothstein, 2007), and with respect to its purported negative effects on the adherence to ethical norms (Kilduff, Galinsky, Gallo, & Reade, 2015).

Finally, our theorization of competition points to another under-studied overlap between theories of competition and organization: the relationship between competition and organizational action. Economists and strategic management scholars often define competition as a specific type of action (Miller & Chen, 1994; Nickell, 1996), whereas organization theorists usually consider competition as an exogenous pressure that shapes organizational action (Cyert & March, 1992). Our definition allows for the analytical distinction between competition and its behavioural outcomes, as well for theorizing their relationship. Competition may lead to actions, and those actions can be collaborative or antagonistic or there may be no action at all. Rather than presuming the behavioural outcomes of competition (Ingram & Yue, 2008), a key issue for organizational research is to identify and explain these. Seeing competition as constructed, we are furthermore open to the possibility that actions, rather than stemming from competition, sometimes create competition, and it is crucial to understand which those actions are and under what circumstances they are effectual.

In the next section, we briefly review current conceptualizations of competition and ask how they can contribute to our understanding of the origins of competition as socially constructed. We then draw, primarily, on the sensemaking perspective to propose a reconceptualization of competition as the social construction of the four elements of competition by three types of actors. Next, we discuss institutional and organizational aspects of the construction of the four elements of competition and end by outlining future areas of research.

Competition as an Activity, as Structure and as Sensemaking

Competition is a versatile concept that has been used across the social sciences. Initially formalized in biology and economics (Dennis, 1975; Smith & McCulloch, 1838), it has subsequently been used extensively in sociology (Hannan & Freeman, 1977; Simmel, 2008; White, 1981), political theory (Downs, 1957; Schumpeter, 1942), management and strategy (Baum & Mezias, 1992; Porter, 1980) and social psychology (Garcia, Tor, & Schiff, 2013; Murayama & Elliot, 2012). Although there are similarities in the various conceptions of competition, this cross-disciplinary versatility has led to several definitions of competition that we broadly categorize into three streams of literature that conceptualize competition as action, as structure, and as sensemaking.

Competition is sometimes defined as the presence of a particular *type of action*, such as price-cutting, innovation, or increased organizational effort. This is particularly the case in strategic management texts (Baum & Korn, 1996; Chen & Hambrick, 1995; Miller & Chen, 1996). Here the analytical perspective from which competition is defined is most often that of an outside observer – an analyst observing markets and noting that firms attack each other through price cuts or entries into each other's markets. This perspective is useful in its simplicity but is problematic for our purposes, as it confounds the existence of competition with a particular type of social manifestation – a set of (market) behaviours or effects. It becomes difficult to decide if competition exists without *à priori* knowledge about all possible behaviours and actions – including non-action – that can arise as a result of competition. Due to the positive normative connotations of competition in the economic literature, competition is most often conflated with outcomes that are deemed positive from an economic policy perspective – innovation or price-cutting, for instance – when there is actually little evidence that such actions (rather than collaboration, inertia or sabotage), would be typically 'competitive'

(Ingram & Yue, 2008). Moreover, the action-based perspective reduces the question of the origin of competition to whether there are social manifestations believed to be due to competition. It thereby provides few clues as to why competition does or does not exist.

Another more widely used perspective defines competition as emergent from a particular *social structure*. This definition has a long history in economics, wherein the number of firms and potential buyers in a market – the market structure – has been seen as the defining feature of competition (Bain, 1956; McNulty, 1968; Robinson, 1969; Stigler, 1968). The core mechanism that is thought to render a context competitive is a negative correlation. The more of a certain good one actor acquires, the less there is for others (Hannan & Freeman, 1977; Porter, 1980).

It has been suggested that social structure in combination with scarcity generates competition outside the narrow context of markets as well – that their combined presence could turn any relationship competitive (Simmel, 2008). In Simmel's most well-known formulation, competition occurs when two or more actors are aware that a third is about to choose between them. This awareness prompts various behaviours – actions to please the third actor, for instance, in order to win approval. Harrison White (1981) and Ronald Burt (1993) have since developed these ideas within network sociology into a theory of competition as emergent from positions in networks – status or brokerage positions, for example (Burt, 1993; Podolny, 1993; Ryall & Sorenson, 2007; White, 2000).

A structural perspective does not limit the concept of competition to certain forms of behaviour. Defining competition as an objectively verifiable structure – the number of firms in a market or a particular network position – is also convenient, as it allows for an easy operationalization of competition. The structural perspective is limited in two significant ways, however. First, social structures are indeterminate with respect to relationships. A market or network similarity and proximity does not necessarily imply a relationship. And if there is a

relationship, it is not necessarily competitive; it could be one of friendship (Ingram & Roberts, 2000; Ingram & Yue, 2008; Ingram & Zou, 2008) or even conflict (Fink, 1968; Schmidt & Kochan, 1972). Second, similar to the action perspective, the structural perspective privileges or even presumes the analytical position of an omniscient observer. A structural condition that is apparent to such an observer may not be clear to those that constitute the structure (Hirshleifer, 1978). In fact, it is highly unlikely that any actor will be fully informed about all other actors that depend on the same resource (Cyert & March, 1992). This renders ambiguous the definition of a situation as competitive: is it competition if those that are supposed to compete do not know about each other? A standard way of working around this issue is to distinguish between two types of competition: direct and diffuse. *Direct* competition exists when competitors observe and are knowledgeable about each other, and *diffuse* competition exists when the actors' understanding is seen as irrelevant, but the structure is clear to an external observer (Barnett, 2008; Hirshleifer, 1978).

Diverging from the first two, essentially positivistic, conceptualizations of competition is the literature that presents competition as *sensemaking*. Addressing the indeterminacy of social structure, cognitively oriented management researchers have taken an actor-based perspective on competition and define it as shared sensemaking – as the social construction of a situation as competitive within a 'cognitive community' (Hodgkinson, 1997; Porac & Baden-Fuller, 1989; Porac, Thomas, Wilson, Patson, & Kanfer, 1995). Defining competition as the shared construction by a group of people circumvents the thorny issue of the indeterminacy of structures and defines away the possibility of competition being diffuse: it is not competition unless those in a cognitive community construct the situation as competition. The cognitive perspective is related to the structural one in the sense that structures, in a wide sense, matter because proponents of this view believe that industry associations or social categorization serve as environmental

cues that can trigger and shape collective sensemaking of a situation as competitive (Cattani, Porac, & Thomas, 2017; Cattani et al., 2018; Kaplan, 2011).

The cognitive perspective is useful for our purposes because it works from the idea that competition is a social construction (cf. Cattani, et al., 2018). It is limited in several ways, though. Because it starts in a situation in which there *is* competition and the questions surrounding it always concern a focal actor's perception of who are its competitors, it provides few insights into the more fundamental question: why does the focal actor conceive of the situation as competitive in the first place? All the elements for sensemaking are already in place: there are organizations that can legitimately make sense of each other as competitors with respect to something that they all see as legitimate to desire. Although this is the case when competition exists, competition is not necessarily a given. Another limitation is the practice of defining quite narrowly what constitutes a relevant actor perspective. The cognitive community within which competition is constructed has been limited to the managers of organizations. This practice defines away the possibility of diffuse competition - a situation of central interest in a large part of the economic and organizational literatures.

A New Perspective: Competition as the construction of four constituent elements

Most of the literature we have referred to thus far discusses competition in the specific social context of markets. We are interested in a more general understanding of competition, including not only its emergence and existence in the context of markets, but also in such contexts as politics, sports or the inner life of organizations.

In order to theorize the origins of competition, we begin by parsing competition into its four constituent elements: actors, relationships, scarcity and desire. These elements are part of

all earlier definitions of competition, although they are usually treated implicitly (cf. Dennis, 1975). Rather than suggesting that one can only make sense of the entire situation as a competitive situation, we propose that competition inheres in the simultaneous construction of all of the four elements, and that they each entail sensemaking. Accordingly, competition is a construction – not of competition as a whole but of its elements; whether one has developed an identity as an actor with desires, whether one believes that there are other actors with the same desire, and whether one thinks that what one desires is a scarce good.

Beginning with the question of a relationship, we define a relationship as *actors considering each other and each other's real or assumed actions when they evaluate their own options for action*. This Weberian understanding of a social relationship (Weber, 1978 pp. 26–28) as a provider of meaning implies that neither exchange nor any other form of interaction is required in order to establish relationships; nor do they necessarily lead to interaction. It is sufficient that others serve as a frame of reference for one's own action.

With respect to *desire*, we argue that in order to be an element in a competitive relationship, an actor who desires a certain object must also *recognize that at least one other actor shares this desire*. The process by which this happens can be through collective sensemaking or individual imagination. Alternatively, the recognition of others' desire can stem from interaction and learning or be the result of information obtained. For example, Polaroid Corporation managers did not perceive of digital technology firms as competitive actors, because they did not believe that they desired the same customers (Tripsas & Gavetti, 2000). Through the loss of market share and profitability and through information from industry analysts, however, the managers of Polaroid gradually learned to reclassify the digital companies as competitors (Tripsas & Gavetti, 2000, p. 1155).

To this point we have been using the term 'actor' quite freely, but to follow through on our use of a Weberian conceptualization of

relationship, our theorization requires *social* actors. Such entities are considered by others and themselves as capable of desire and recognizing the desires of others and capable of acting on the basis of these conceptions. Earlier work on competition has typically presumed organizations to be actors with respect to competition, but this is a precarious assumption that obscures the origins of competition. It also divorces the study of competition from the richness of the work on actorhood in organization theory. Although much is known about the actorhood of organizations in a general sense, less is known about the factors involved when an actor is being considered capable of competition. Actorhood can be the result of institutions, particularly in the case of collective actors (Hasse, 2017; Meyer & Jepperson, 2000; Sewell, 1992), which means that it is contingent upon historical and geographical factors (Hwang & Colyvas, 2019; King, Felin, & Whetten, 2010; Meyer, 2010; Pedersen & Dobbin, 1997). Actorhood can also be the result of organization. A typical first step required when seeking to introduce competition – among schools or the subsidiaries of a multinational firm, for instance – is to expand specific aspects of the actorhood of concerned organizations with for instance budgetary responsibility and with further decision rights (Brunsson & Sahlin-Andersson, 2000).

Desire is not necessarily combined with actorhood. People or organizations may desire something without having the capacity to act. A common limitation on this capability is a lack of resources. Many people may desire to have a Picasso painting over their fireplace, but because they are not wealthy, they do not compete with affluent art collectors or museums. Studies of competitive sensemaking suggest an asymmetry in the construction of actorhood: Larger firms tend not to identify smaller firms as competitors while smaller firms think of larger firms as competitors (Lant, Baum, Scott, & Christensen, 1995; Porac et al., 1995), and in a similar manner managers less readily infer actorhood onto firms located far away (Baum & Haveman, 1997). Institutions can limit the actorhood of specific actors, an issue that we develop further in the next section.

Another imprecision in earlier treatments of competition concerns who controls what is scarce. It is often said that firms compete for each other's market shares or that two nations compete for the territory of one. Such a situation represents conflict rather than competition (Schelling, 1960). We prefer to reserve the term 'competition' for instances in which desires are focused on something that none of the competitors already have. Firms do not compete for the money that the customer has already given one of them, but for the money still in the pockets of the customer. In an election, it is not the votes of the last election but the votes that are yet to be cast that the parties desire. Competition is always about the future – a critical aspect that is seldom made explicit in the competition literature (cf. Emirbayer & Mische, 1998) but that can be useful when constructing competition. The future aspect is often used to kindle relationships and to inculcate a feeling of scarcity: if we do not see this as competition today, others will do things that make us lose out tomorrow (Beckert, 2014).

Competition, action and interaction

Separating assumptions of action from the definition of competition allows us to begin to pick apart the intricate relationships among competition, action and interaction. Earlier literature has typically conflated action and competition or simply considered a one-way relationship where competition prompts action. As noted, this is problematic for several reasons. It is problematic to equate competition with action, as it is not clear what actions are competitive and what actions are not. Furthermore, as shown in experimental studies, no action is a common outcome of competing. Whether or not actions follow from competition may depend on earlier competitive outcomes: winning earlier competitions can motivate further action, losing is more likely to induce passivity (Murayama & Elliot, 2012; Reeve & Deci, 1996). Contrary to popular beliefs that competition spurs improvement, these findings suggest that those with the greatest need of improvement become the least likely to improve when competing (cf. Hirschman, 1970).

Moreover, it is not only competition that leads to actions; actions can also lead to competition. As Simmel's (2008) work reminds us, competition is a tripartite relationship whereby the actions of the third actor can create a relationship between two actors that have no interaction with each other. Suspecting that a superior regularly meets with outside people can be the decisive factor for an employee constructing a situation as competition for promotion. In order to understand the origins of competition, the set of actors that can partake in the construction of competition should not be restricted only to the actors that are supposed to be competing but should extend to third parties.

Competition can lead to interaction among competitors, an outcome that is often seen as negative by external observers. One form of such interaction is cooperation. When competition was induced through liberal laws at the end of the nineteenth century, a common reaction among firms was to create cartels in which they cooperated (Strandqvist, 2018). Although cartels have been outlawed in many countries, firms still cooperate in industry associations. Contrary to what most people and some scholars believe (see for instance Brandenburger & Nalebuff, 1997; Fehr & Schmidt, 1999), the assumption that cooperation extinguishes competition is a fallacy that follows from conflating competition and action. Cooperation simply means that those involved in the relationship have decided on a particular response. Firms in a cartel are still in a competitive relationship about the money of customers; they have merely agreed to act in a certain way to handle this relationship – by determining maximum volumes or minimum prices. Other forms of interaction that involve the removal of all other actors, such as may be the case in mergers and takeovers, does extinguish competition, however. We return to the issue of removing competition at the end of the article.

Institution and organization

After arguing that the origins of competition can be better understood by studying the construction

of its four elements – actors, relationship, scarcity and desire – we now illustrate how this conceptualization can be used to uncover the institutional foundations and the organization of such constructions. By *institutional foundations* we mean social orders that are taken for granted and therefore do not require efforts to be kept in effect (Jepperson, 1991). By *organization*, we mean decisions that constitute attempts to create a new order or to maintain an established one (Ahrne & Brunsson, 2011, 2019). The two are clearly inter-related; institutions set the scene for organization, as they are the background against which competition is organized, and decisions and organization can become institutionalized over time. But it is important to distinguish them analytically. We begin by discussing the institutional basis of competition.

The Institutional Basis of Competition

Institutions are fundamental to the construction of the elements of competition – actors, their relationships, scarcity and desire. It has always been the human experience that other actors can make a difference with respect to things that are desired and perceived as scarce. Initially, these others – the potential competitors – could be individuals, families or clans. The potential objects of competition have always existed in the form of access to natural resources such as land, water, food and, in cases of conflict, to highly motivated allies (Helbling, 2006). Nonetheless, several institutions that characterize the rise of modern society have stimulated the propensity to perceive an increasing number of relationships as competition.

This easing-in of competition into modern society can be illustrated with respect to the grand narrative of Emile Durkheim (1964). According to Durkheim, population density and experiences of scarcity rose in the nineteenth century due to population growth and urbanization. In line with what was later emphasized by organizational population ecologists, this increase of density was viewed as a trigger for competition (Hannan & Freeman, 1977; Olzak,

1990), and Durkheim argued that the most influential master trend of modernity – the division of labour – was a response to this development.

Relationships and actorhood

Markets have been expanded (Djelic, 2006) with the help of new technologies for transport and communication, global trade agreements and various forms of soft regulation. In line with Durkheim, it can be argued that this expansion has increased the possibility of experiencing novel, potentially competitive relationships. The national expansion of markets at the end of the nineteenth century (Chandler, 1962) and the pronounced increase in economic globalization a century later (Fligstein, 2001) can be viewed as expressions of this development. It has led not only to the discovery of new opportunities to sell products, but also to the experience or imagination that there are others – sometimes in distant parts of the world – who desire access to the same customers. In many cases this competition has led to specialization – choosing to do or desire something specific, just as Durkheim would have predicted.

Globalization has the same effect in other areas. Increasing awareness of a multitude of actors on the other side of the globe increases the likelihood of sensing competition. Even universities in small European countries claim that they compete for students with Chinese or North American universities (Brankovic et al., 2018). Globalization also sharpens the identity of nation states as actors and stimulates relationships among them (Jacobsson & Sundström, 2016; Meyer, Boli, Thomas, & Ramirez, 1997). Against a background of seemingly highly institutionalized desires and a sense of scarcity, globalization fosters comparisons with other nation states with respect to a broad spectrum of economic and social criteria, making nation states desirous of achieving favourable positions and outperforming others. Institutions that support globalization in that way render it easier to construct all elements of competition – actors, relationships, scarcity and desire. As a consequence, states compete for ‘talent’ or

‘innovative capability’ or ‘ease of doing business’ (Porter, 1990), and they develop competition strategies – to be attractive to multinational companies, for example (Kjaer, 2015).

The discovery of other actors who desire the same thing is also supported by other broad institutional transformations, an example being access to coveted social positions. Top positions are scarce by definition, but in earlier stratified societies social mobility was typically lower than it is today. Only a few candidates could be considered competitors for the top social positions, and in most cases, a traditional or legal order of succession rendered competition difficult if not impossible. Likewise, two major paths towards social mobility – vocational choice and marriage – were traditionally less competitive because they were institutionally circumscribed. Today, by contrast, these choices are less restricted (at least formally) in most societies, as they are no longer limited to members of a privileged group. Current trends towards anti-discrimination and compliance with egalitarian norms in employment have further enabled the construction of competition (cf. Besley, Folke, Persson, & Rickne, 2017). Finally, meritocracy as the only remaining legitimizer of inequality (Meyer, 1977, 2001) can also serve to increase the propensity to interpret more relationships as competition, because it directs attention to the need to outperform others.

The trend of considering organizations as actors has meant a proliferation of actors that can constitute elements in the construction of competition. This transformation arguably began with the idea that business firms require ‘professional’ management (Starbuck, 2003), a notion that is closely related to the expansion of markets at the end of the nineteenth century (Hasse & Krücken, 2013). Influenced by new professions – engineering and management – firms became objects of design, developed objectives and strategies, and began to identify others they could view as competitors (Davis, 2009). A similar development has occurred since the end of the twentieth century among non-profit organizations (Hwang & Powell,

2009) and public organizations – universities, hospitals and schools (Hasse & Krücken, 2013). With their enhanced actorhood, these organizations can now experience a greater number of other organizations of the same category that they can see as competitors for funding, the employment of qualified professionals, public support, customer demand and stakeholder interests.

A number of institutions structure the agency of individuals and organizations. Of particular importance to competition are social categories (Cattani et al., 2017; Durand, Granqvist, & Tyllström, 2017; Zuckerman, 1999). The agency of individuals and organizations is drawn partly from the institutionalized categories to which they are ascribed (Durand & Paolella, 2013; Hsu & Hannan, 2005). The complications of overcoming social categorization to become a legitimate competitor for affection is a common theme in popular literature. To be considered a competitor in sports is usually contingent upon conforming to an institutionalized gender-categorical belonging (Obel, 1996). More generally, ambiguity of categorical belonging has been shown to generate questioning of the legitimacy of an actor as a competitor across a wide range of settings – from movie careers to wines to stock markets (Hsu, 2006; Roberts, Simons, & Swaminathan, 2010; Zuckerman, 1999, 2004). The legitimacy of an actor as a competitor can also have moral dimensions (Wolff, 2006). If we consider Simmel's example of competition for affections, norms about the appropriateness of same-sex attraction have been important in constraining who is considered a legitimate competitor. The actor element of competition is thus institutionally enabled and often circumscribed through social classification.

Scarcity and desire

Institutionalization processes have not only eased the construction of actors and relationships, but also inculcated a growing sense of scarcity (Xenos, 1989), which has further eased the perception of situations as competition.

When consumption was related to the fulfilment of 'basic needs' – which is, of course, another social construction – industrialization could be associated with the utopia of bringing scarcity to an end. Since the end of the nineteenth century there have been similar hopes, not only in the early years of the USSR, but also among the technocrats and their most visible proponent, Frederic Taylor (Nelson, 1980).

Industrialization and economic development have been accompanied by the institutionalization of new desires, not all of which are restricted to basic material needs such as nutrition and clothing. Instead, many desire cars, computers, or even a face-lift, or a 126-year life span – a list that may never end and that neither Stalin nor Taylor could imagine. Additionally, consumption of almost any product category has become an opportunity to signal status (Bagwell & Bernheim, 1996), and these status aspirations are no longer restricted to the minority that Veblen (2005) labelled the 'leisure class'. At least in the Western Hemisphere, it no longer seems sufficient for most people to have shoes, cars and computers. Instead, people are expected to desire Nike sneakers, BMWs and Apple computers. Driven by marketing, people desire more diverse products and services, and most of these products offer opportunities to draw distinctions that are symbolically relevant, even with respect to the most basic product one may imagine: water – ideally water imported from Switzerland or Japan.

More broadly, institutional changes that affect the allocation of status can be a potent source for the construction of competition. Status generally affects legitimation and reputation and thereby influences the survival of a focal organization (Podolny, 1993). Thus status is one element of desire around which competition can be constructed. As status is ascribed in accordance with the customers, suppliers and collaborators that an organization is associated with (Podolny & Phillips, 1996), organizations do not merely compete for scarce financiers, suppliers and customers. Rather, they compete for the most prestigious collaborators, which

are, by definition, scarcer. Likewise, universities and researchers do not merely seek funding; they seek funding sources with the highest reputation (Edlund, 2018).

These are a few of the ways in which institutional change can enable the construction of the four elements of competition. The very idea of competition can also become institutionalized, in the sense that it is difficult to imagine a particular kind of organization or situation in which competition is not involved. It is taken for granted in most societies, for instance, that markets for consumer goods are competitive (Aspers, 2011). And where competition is institutionalized, it often follows that its elements are institutionalized as well. It is difficult to think of a consumer goods firm that does not have the actorhood of a competitor or a political party that would not be considered a legitimate attractor of votes. Even certain behaviours that are related to competition may become institutionalized. Strategy researchers talk about ‘industry recipes’ (Spender, 1989) or ‘competitive logics’ (Barnett, 2008, 2017) to describe such taken-for-granted elements of competitive behaviour.

The Organization of Competition

The overall institutional backing of actors, relationships, desire and scarcity does not mean that competition spreads evenly and without resistance into any domain of society. Rather, the construction of competition often requires organization – decisions to change a situation to be considered competition. The more the elements are institutionalized, however, the less organization will be required. We now turn to ways in which competition can be organized and depart from the distinction of four fundamental decisions of organizing – decisions about membership, rules, monitoring and sanctions (Ahrne & Brunsson, 2011). We relate these four types of decisions to the establishment or maintenance of all elements of competition – actors, relationships, desire and scarcity – and consider the legitimization of these elements.

In order to discuss competition as organized, we extend Simmel’s imagery of the actors that form a competitive relationship and expand his classic triad of at least two competitors and a third actor with an external organizer of competition as the *fourth actor* in competition. Unlike Simmel’s *tertius gaudens* (Burt, 1993), the fourth does not adjudicate between the competitors; its role is purely that of the organizer.

The role of the organizer of competition has typically been afforded little attention in earlier literature, which is not strange given that competition has often been presumed to emerge spontaneously. In some cases, a fourth actor has been noted but this actor has been analysed only cursorily. Ezra Zuckerman (1999), for instance, briefly referred to experts such as security analysts as constituents of what he called ‘mediated markets’, but they are closer to the Simmelian idea of a third party that adjudicates a competition – albeit indirectly through their recommendations – than they are to a fourth party that organizes the competition. In a similar manner, Cattani and colleagues (2017, 2018) made numerous references to significant non-competing actors who categorize organizations and products and argued that this categorization work is crucial for the construction of competition. But competition is often organized in more complex and direct ways than by mere categorizations.

Competition by design: contests and reforms

Contests offer a clear illustration of the ways in which competition can be organized. Contests are an instance of episodic competition, characterized by a restricted time window during which competition is legitimate; it is distinct from continuous competition, which is more often discussed (Chadwick, 1859). Between contests, relationships among the actors are often not supposed to be competitive. Contests are typical for sports, but they are commonly organized in other areas as well. Product development contests are important in seeding competition (Rao, 1994). In democratic political

systems, the competition among parties is organized as contests: elections. In many countries, public procurement is organized as contests, wherein firms are invited to compete in the form of bids on contracts, but the firms do not necessarily compete once a contract is allocated (Hood & Dixon, 2015; Le Grand, 2009).

Contests are often considered a highly organized way to determine the outcome of an existing competition among such actors as sport teams, established political parties or firms. But the organization of contests can contribute to competition as well. By deciding on membership in a contest, an organizer can stimulate relationships among actors who were not previously related. The European Union (EU) rule that public procurement projects must be published in a way that firms within the entire EU can apply is intended to stimulate competition beyond the individual member state. Predictability in deciding the result of contests – through clear rules and active monitoring by referees or others – is likely to attract more participants, thus increasing the number of those with a competitive relationship.

Contest organizers are sometimes involved in creating actors for their contests, which they can do by such methods as stipulating that those eligible to bid for a contract must represent a consortium of firms or be of a minimum size. In international sports contests, it is common to construct national teams out of the participants of many existing club teams. Election laws often presume that contenders organize into political parties, and elections sometimes stimulate the creation of new parties or alliances among parties. Organizers can also select actors by limiting participation to those actors that have a chance to win, or even assist in the creation of such actors. In sports, divisions or pre-contests for seeding participants and rules for drafting new team members are decided to ensure that teams are sufficiently similar to guarantee close competition.

Contest organizers create scarcity by restricting the number of winners to fewer than the number of participants. In order to stimulate the construction of competition, the organizer also needs to stimulate desire, by creating positive

sanctions such as prize money or through prizes that signal status.

Contests constitute just one form for organizing competition. Organizers may strive for continuous competition and have to handle situations more complex than contests – as when markets or organizations are reformed in order to establish competition. We know from studies of the introduction of competition among railway service providers in the United States that such reforms may require considerable organizational effort and time (Dobbin, 1994; Dobbin & Dowd, 1997). The organizer must convince others that they are actors who should relate to other actors and that both parties share a desire for something scarce. This often requires a combination of decisions and legitimating discourse, and it is often accompanied by legal changes. Where there are no actors that are legitimate competitors, a first organizational task is the creation of such actors. In a monopoly situation, new organizations must often be carved out by splitting up a monopolistic producer (Barnett & Carroll, 1993; Castillo, 2018). That may entail the reconstruction of incomplete organizations such as departments that were previously state agencies, or of former subsidiaries of a corporation – more complete organizations with their own management, clear boundaries and identity (Brunsson & Sahlin-Andersson, 2000). Where actors are already institutionalized, their legitimacy as competitors needs to be established – and support for their legitimacy can be found in economic literature (Ruef, 1999, 2000), which is rife with arguments for the intrinsic value of public choice in service provision.

To ensure the desire for something particular among those who are to compete, an organizer of competition often needs to invoke third parties that are equipped with the ability to control a good to be desired. Examples include citizens with the right to vote, or parents of school children whose choice of school involves a money transfer to that school. In many cases this means turning former users of a public service into consumers who use their choice to adjudicate between potential providers (cf. Le Grand, 2009).

Relationships among competitors cannot be directly created by the organizer, but need to be stimulated, as they result from sensemaking (cf. Cattani et al., 2018; Porac & Baden-Fuller, 1989). Several organizational techniques can be used to kindle a relationship among organizations – by making them members of a list of would-be competitors, for instance, and systematically monitoring them, their desires, their capacity to influence future access to a desirable good, and their recent actions. Porac et al. (1995) have demonstrated how the industry association of Scottish knitwear manufacturers stimulated and reinforced such relationships by obtaining lists of members, by monitoring sales and products from a specific set of producers, and then publishing the data. Similarly, Anand and Peterson (2000) illustrate how the top-of-the-chart lists compiled by record stores stimulate artists to think of specific other artists as their competitors. Decisions to create lists or collect sales data can be combined with talk about the threats that competitors imply. In the early 1980s, Japan was singled out as a competitor to the USA in a series of reports and books about the Japanese industrial threat (c.f. Teece, 1987). Now China is the looming threat (Broomfield, 2003). Likewise, when there are no third parties, such as consumers, ‘imagined publics’ can serve as equivalents (Werron, 2015); they do not control resources, but their imagined attention or appreciation is desirable.

Scarcity may require organization. One example is the persistent, albeit not always successful, attempt by ‘guardians’ in state budget processes to decide on a fixed total budget and to defend their decision against ‘advocates’ for more money for their departments - which is an attempt to show that money is indeed scarce, that one department’s desire cannot be fulfilled merely by expanding the budget, and that more money to one department does in fact mean less money to another (Wildavsky, 1980). Another example is provided by the historian E. P. Thompson (1967), who discussed the significant organizational efforts required to establish competitive labour markets in early industrializing Britain. A major obstacle was the cultural

meaning of time. In the agrarian society, time was conceived of in a non-standardized task-oriented manner, like the time taken to plough a field, which prevented calculations of its scarcity and thereby undermined attempts to create a competitive labour market. Only after significant organizational efforts that spread the use of watches and clocks and led to the acceptance of ‘merchant time’ or ‘clock time’ could labour be considered scarce, and thus form the basis of a competitive labour market. Clock time is now deeply institutionalized in most societies, illustrating that organizational efforts can become institutionalized over time and thus need no further organization in order to be maintained.

Competition as a side effect

The cases presented so far describe situations in which organizers intend to create and maintain competition. Organizers are not necessarily conscious of their role, however, but may, through their organizing efforts, construct competition as a side effect of whatever was their original purpose in organizing. People or organizations involved in the organization of formal organizations or society at large may inadvertently contribute all elements of competition, or they may add one or two missing elements of competition. Alternatively, they may provide a few elements that inspire others to create the missing ones.

Organizations that have similar identities and engage in similar activities often organize by using membership to form a common meta-organization (Ahrne & Brunsson, 2005), a business association, for example. The purpose of an industry association may be restricted to public relations or lobbying for the industry as a whole. Yet, membership can fuel the construction of the situation as competition, because it clarifies who can be seen as competitors, and they may be more numerous than the average manager could have imagined previously. For the same reason, membership in a cartel may stabilize – or even sharpen – competition rather than reduce or abolish it, as is often presumed.

The awarding of a prize, which is, organizationally speaking, a form of positive sanction,

constitutes another type of organizational effort that can unintentionally give rise to competition. The people or organizations that establish prizes may want to initiate competition, but they often have no intention other than rewarding superior achievements, pointing to good examples, or attracting attention to themselves (Edlund, Pallas, & Wedlin, 2019). For a prize to initiate competition, it must be scarce; often the prize is limited to one person or organization, at least during a specific period. The prize must also be sufficiently attractive so that people will desire it, and the rules must be formulated in such a way that it is easy to imagine that others could possibly receive the prize. A prize will more likely create competition if it is combined with membership, thereby defining who can possibly win the prize – and in retrospect, all of those who have not won it, even though they could have done so. Such a case makes it easy to identify and relate to specific other competitors, thereby constructing relationships that can be competitive. When a prize does not generate all the elements necessary for competition, people other than the prize givers who are interested in creating competition can try to complement the missing elements.

Relationships can also be inadvertently organized as competition by monitoring people or organizations and comparing them. Such comparisons often include a ranking, whereby someone decides which are the best and perhaps the worst of that category. Ranking is an old tradition in sports, but actors can be compared and ranked without any contests or prizes. Firms are ranked with respect to customer satisfaction, local governments – not unlike restaurants – are ranked with respect to the quality of their service, universities are ranked with respect to their contributions to research or to the level of competence of their staff, and states are ranked with respect to their level of democracy or development.

Rankings are conducted by various types of organization and, like prize givers, rankers may have no intention of initiating competition. Several prominent rankers of universities argue that their only purpose is to inform prospective

students of their choice of universities (Wedlin, 2006). Yet, rankings may produce competition (Brankovic et al., 2018) because, by definition, positions in rankings are scarce, and by listing actors, rankings can initiate relationships among those actors. It is, however, far from certain that people have strong reasons to desire a high position on the list. And a large number of rankings can reduce the desire to rank highly on any one ranking; if the result in one ranking is disappointing, it is possible to focus on another ranking (Elsbach & Kramer, 1996).

Even if the rankers are not interested in promoting competition, there may be others who are – managers in the ranked organizations or external parties, for instance. Those who are interested in using rankings to initiate competition have a complex task. For a start, they need to inform people that they or their organizations are ranked. Awareness of rankings among those ranked is not a given, particularly as the number of rankings increase to the point that no one knows about all of them. They also have to convince people that the categories that the ranker uses signify entities that can be considered actors, which is not always an easy task. Not every academic would necessarily believe that universities – their own or others – are actors capable of coordinating researchers and teachers according to a plan to compete, for instance. Furthermore, proponents of competition have to make would-be competitors think of others on the ranking list as belonging to a category that makes it relevant to relate to them. Those who are ranked may not want to be seen as belonging to the category being used, or find the category uninteresting compared to other categories to which they believe they belong.

Finally, convincing people to desire a good position in the ranking is not a trivial task. The criteria for ranking may be seen as irrelevant. And a top listing is seldom attractive per se; to be attractive there must be an imagined link to other scarce, desirable goods. Attention from significant others or the status that a top listing can confer may constitute such goods. Symbolic goods in themselves, however, are not always legitimate to refer to when investing resources

in a striving for ranking positions; more acceptable desirable goods may have to be invoked. A typical story for those seeing university rankings as an argument for competition is to evoke students as a third party, imagining that they study the lists and choose their university based on the list (Wedlin, 2011). A proper university must have students, so there is already an institutionalized desire. Although students in the contemporary world come in hundreds of millions, scarcity can be imagined by arguing that what the university really wants is good or even the best students. University managers who think this way will see their university as competing for students (Brunsson & Wedlin, 2019).

Interrelations and Asymmetries

We have argued that competition is better understood as being contingent upon institutions and organization, as its emergence requires the social construction of actors, their relationships and the desire for something scarce. One or more of three types of actor can construct these elements – single-handedly or in concert. The distinction of four elements of competition and of the three actor types that may construct them makes it possible to theorize in a nuanced and specific way not only the emergence of competition, but also the relationship among the various actors involved in competition and the relationship between competition and actions. We have elaborated upon the different elements, how they can be constructed separately. Furthermore, we have pointed to some interrelationships – actorhood that comes along with desires or between scarcity and desire, for example. These interrelationships represent a form of dynamic that is not visible when competition is conceptualized as a ‘whole’.

In a similar manner, we can expose interesting dynamics by considering the different actors that construct the elements. In the institutionalized case, in which competition is unquestioned, it is likely that all three actor types agree in their constructions. Agreement across constructions is only one of the possible

cases, however. There are cases in which only the competitors construct the situation as competition, only the organizer sees competition, or only the third party believes that there is competition. The case in which only the organizer sees competition is what economists and strategy scholars would call diffuse competition. Expanding the type of actor that can construct competition thereby enables us to include the idea of diffuse competition within a social constructivist view on competition.

Asymmetries in construction are important, as a significant part of the organization of competition derives from them. The government that is not sure that schools or healthcare units are actually constructing the situation as competition has to intervene and reorganize. Similarly, if parents or patients do not believe that they are customers who should be actively selecting among providers, the government must inform them about their rights or even compel them by law to become actors who make choices (cf. Ball, 1993; Jutterström, 2018; Nyqvist, 2015; Waslander, 2010). It is a common practice in firms in business-to-business markets to help in the creation of new actors that can supply a critical input in order to stimulate competition at an earlier stage in the value chain (Porter, 1991).

Areas for Further Research

Our theorization of competition opens up various research fronts, and in this final section we highlight some that we consider of particular importance: (1) the fourth actor, (2) issues of failure of competition and its behavioural effects, (3) various forms of dynamics and interrelations in the construction of competition. We also highlight areas of research beyond the question about the origins of competition, namely (4) issues of responsibility and normative questions, and (5) the ways in which competition can be organized away.

The fourth actor

One of our central arguments is that competition is usually organized. Because the notion of the

organizing fourth actor has been largely missing from earlier treatments of competition, we lack research on this type of actor. Dobbin and Dowd (1997) argued that organization theorists do not pay sufficient attention to the role of the state, which is one of the possible fourth parties. We have provided further examples here of fourth actors other than the state, but there a key question remains: who can legitimately be a fourth actor, and by what right? An organizational theorization of competition renders organization theory uniquely positioned to inform a wider social science audience on the origins and workings of competition. Thinking of competition as organized and a means of control opens interesting links to studies of organization that deal with questions of power and domination.

What organizational tools do fourth actors use? We have suggested the usefulness of the standard tools of organization outlined by Ahrne and Brunsson (2011), but organization theory also offers a wide selection of potentially useful analytical tools and perspectives. For instance, theories of rhetoric and symbolic management could be used to better understand the legitimization of competition, and critical management theorists could contribute with new understandings of the relationship between competition and domination.

An organizational theorization of competition can also inform other fields within management where competition has been taken for granted. Considering that a fourth party is also an actor with its own interests and that a multiplicity of potential fourth parties exist, strategic management scholars may want to consider questions that concern the circumstances under which fourth parties are likely to compete with each other, and the ways in which competition among fourth parties affect competition among those they organize (cf. Barnett, 2008, 2017).

Failure of organizing competition

When competition rests on organization, it is always an attempt, and success is not guaranteed. Policymakers, and many academics, often show a surprising naïveté in assuming that all

attempts at initiating competition will bear fruit. Competition requires that those who are expected to compete develop and maintain an identity as an actor with certain capacities: to strategize, to make decisions and to implement those decisions. In the case of organizations, some have traditionally been opportunity structures or merely bureaucracies without these capacities, and their transformation into actorhood may fail.

Failure may also be due to reactions among those intended to compete; those who should be their competitors can be found irrelevant, a prize may not be seen as connected to a desired status, or the prize money is unmotivating for those who can find money more easily and feel no need to strive for the prize. Contest participants may not take the idea of competition seriously. There may be active resistance to competition on moral or professional grounds. Principals and schoolteachers can refuse to compete because competition can be seen as turning students into ‘commodities’ (Waslander, 2010). Some of the failures may be due to a failure of the organizers to convince others who are significant for the would-be competitors – a failure to convince media that a top ranking signifies high status or a failure to convince people to act as third parties, for instance.

Finally, relationships may be problematic. If there are too many competitors or if there is too much variation among them, it may be impossible (or not worthwhile) to establish and maintain relationships. Thus, an increase in the number of competitors does not necessarily make a situation seem more competitive, although economic ideas about perfect markets suggest that it is so.

Further organization may be necessary in order for a situation to be maintained – even if it has been successfully organized as competitive. Competitors’ actions can undermine the situation, as when one firm eliminates all its competitors by buying them. The enactment of anti-trust and competition laws are decisions that rule out responses that threaten the continuation of competition. Outside markets – in sports, for instance – rules prescribe who is

allowed to compete, and what they are allowed to do to each other, so that the situation should be recognizable as competition.

It is likely that the study of failures to achieve competition would tell us as much about the ways in which competition occurs as would the study of successes. One fruitful line of investigation would be to ask under what circumstances the organization of competition succeeds and under which circumstances it fails. The dynamics of failure are also worth investigating. When does failure lead to more attempts at organizing and when does it lead to fewer attempts?

Dynamics of the formation of competition

A third line of investigation regards various dynamics in the formation of competition. Given the four elements of competition, one can analytically distinguish among six possible interrelations in the elements of competition: actorhood interacting with relationships, desires and scarcity; relationships interacting with desire and scarcity; and desire interacting with scarcity. Organizational actorhood, for instance, is certainly associated with the development of desires: modern organizations are expected to have missions and goals regarding the things they have not yet achieved (Bromley & Meyer, 2015). Likewise, scarcity stimulates desire; and, conversely, the desire of competitors for scarce things makes them even scarcer (Mullainathan & Shafir, 2013; Shah, Shafir, & Mullainathan, 2015). Because the conceptualization of another as a competitor can lead an organization to act, there is potential for an interesting theoretical asymmetry here. If Party A in a two-party relationship begins to see the relationship as competitive, it is not easy for Party B to continue seeing the relationship as non-competitive, assuming that Party A can be observed as undertaking actions that are commonly understood to be competitive or that seem to undermine access for Party B to the desired good.

Another form of dynamic occurs when third parties do not adjudicate in the way that the

organizer of the competition wanted them to. Parents may not consider the most demanding education to be the most desirable for their child. Or voters may elect an anti-democratic populist. Such instances often require further organization in the form of rankings, ratings or other tools, to align choices of the third party to the expectations of the organizer of competition.

Moreover, when competition emerges at different hierarchical levels, competition among these levels may interact. When organizations compete, competition among their members or departments is often discouraged, and when competition is constructed at the level of nations, organizations are often exhorted to focus competition on this level. Universities may suddenly be viewed not as competitors, but as a national means to achieve a competitive advantage over other nations. Efforts to construct competition at one hierarchical level can have unexpected results at another (Blau, 1954; Ingram & Lifschitz, 2006). Unfortunately, there is next to no research on this interrelatedness.

Normative implications of competition

Shifting the explanation of competition from that of an unproblematized process of emergence to one that is created and designed directs the attention to fourth actors and their responsibility for the outcomes of competition. Competition not only brings efficiency and innovation, but also may increase segregation, among schools, for example (Ball, 1993; Hsieh & Urquiola, 2006) and has been shown to increase unethical behaviour (Kilduff et al., 2015; Schreck, 2015). Rather than considering these effects as stemming from the *force majeure* sounding ‘gales of creative destruction’ (Schumpeter, 1942), one could discuss how and the extent to which fourth actors who have been instrumental in introducing competition should be held responsible for its outcomes. In the same way that a government can be credited with rescuing an economy by imposing budget discipline, could a government be thought to have caused the failure of an educational system that becomes more segregated when competition is introduced?

Some key questions about power follow from the understanding of competition as organized. We have touched on questions about who may be a legitimate fourth, and related to those questions are questions about the ends to which competition is used by a fourth. As Wolff (2006) has discussed, the naming of a relationship as ‘competition’ can legitimate distributional outcomes that would be considered unjust in other forms of relationships. Simmel (2008) has provided the illustrative example of the difference between one who breaks into a small shop and steals everything (which is normally considered illegal) and thereby putting it out of business, and the larger shop that ruins the smaller through competition (which often is viewed as a legitimate behavior). These examples constitute just a few of the normative issues that a constructivist theory of competition can address.

How is competition revoked?

Many competitors do not appreciate competition, whether or not it is intended by its organizers. Given the variety of its potential effects, also third and fourth parties and the broader society may seek to have less competition, or even to avoid it. A relevant question for which there are currently few answers is whether and how competition can be revoked. How can a situation that has been constructed as competitive become uncompetitive?

On the one hand, revocation seems easy because only one of the four elements of competition has to be removed in order for competition to cease. On the other hand, experimental research into the removal of competition at the level of individuals suggests that competition is ‘sticky’ (Buser & Dreber, 2015; Johnson et al., 2006); it is easier to prime individuals to act as if there is competition than to undo that priming. But what can be said on that issue when organizations are involved in real life – in life outside experimental settings? Institutional changes may weaken or end competition. Public discourses, a problematization and delegitimizing of the four elements of competition may transform competition into something else in

the long run. The deconstruction of what used to be viewed as actors, or no longer relating oneself to potential competitors, will end competition. Similarly, institutional processes can alter scarcity evaluations and desires. What used to be status relevant, for example, may become irrelevant and no longer desired.

According to our understanding, institutional processes are not the immediate results of decision making and cannot be planned. Rather, they are by-products of social practices, narratives and cognitive schemes; therefore, competition cannot be de-institutionalized by decision. But can competition be organized away? Analytically, any decision making that affects the construction of actor identities, relationships with other actors, scarcity and desires has an impact on competition. Illegal markets – such as a market for alcohol during a time of prohibition – are often combatted by decisions that express attempts to remove the actorhood of organizations and individuals or by attempts to alter scarcity or desires (cf. Hiatt, Sine, & Tolbert, 2009). Competition can also be reduced as a side effect of other decisions. Competition among workers for jobs can be reduced by political decisions, for instance, boosting the number of jobs or reducing the desire to have a job by providing a more generous welfare allowance. Thus, there seem to be ways of organizing competition away, but organizational theorists interested in competition have rarely tackled this question.

In conclusion, we believe that organization theorists have too long and without reflection reified the existence and naturalness of competition among and inside organizations, rather than turning their attention to the institutional and organizational foundations of competition. In this article, we have sought to lay the foundation for an organization theory of competition as a social construction that results when organizers draw on institutions and expend effort towards rendering a situation competitive. We have pointed to a number of areas for future research, but these merely scrape the surface of the potential new field of research that would emerge if organization theorists were to relinquish the idea

that competition is ‘just there’ and turn their analytical gaze onto competition: how it is organized and what it does to organizations. Such an effort would fill a crucial intellectual gap and produce highly relevant knowledge for decision makers and others in a contemporary society obsessed with competition.

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