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The Iron Cage Revisited

Paul DiMaggio and Walter Powell, American Sociological Review, 1983

Why organisations in the same field end up looking the same, even when it isn't the best way to do things.

The big idea

DiMaggio and Powell asked why organisations in the same industry become so alike. Their answer was that it's often not about efficiency at all. Organisations copy each other because of outside pressures, a process they called isomorphism.

The famous example

They identified three pressures that push organisations to become alike.

COERCIVE
Forced
Rules, regulators, funders

MIMETIC
Copied
Copying others when unsure

NORMATIVE
Taught
Professional norms and training

When nobody is sure what works, copying the most successful organisation in the field feels like the safe bet.

Why it matters

It explains why whole sports, industries and markets do things the same way, like football selling players while American sports trade them. It's not always because it's the best way, it's because that's how things are done there.

Featured in
The Transfer Market: Why Football Sells Players but America Trades Them

Read the original
DiMaggio, P. J. & Powell, W. W. (1983). The Iron Cage Revisited: Institutional Isomorphism and Collective Rationality in Organizational Fields. *American Sociological Review*, 48(2), 147–160.

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