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to Ornella. We still feel it is all surreal

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'I think for me and for many of my colleagues the more interesting direction is looking at the way in which the environment is itself organized and the institutional aspects of that structure... Some of the best work, I think, is at the transnational level, where whole new systems of rules, norms, understandings, standards have been developed in Europe and in various kinds of regimes. This is a very fertile area for institutional theory to work in because it moves us up to the societal system'

(Scott, 2016, p. 3)

European integration is a key research topic of the past three decades. Galvanized by the reality created by the Maastricht Treaty in 1992 economists, sociologists, students of political science and law explore it from the respective perspectives. The motto of the European Union (EU), *united in diversity*, succinctly describes the essence of the integrative intent, yet its oxymoronic nature eloquently points to the difficulty of the endeavor and fuels the scientific debate.

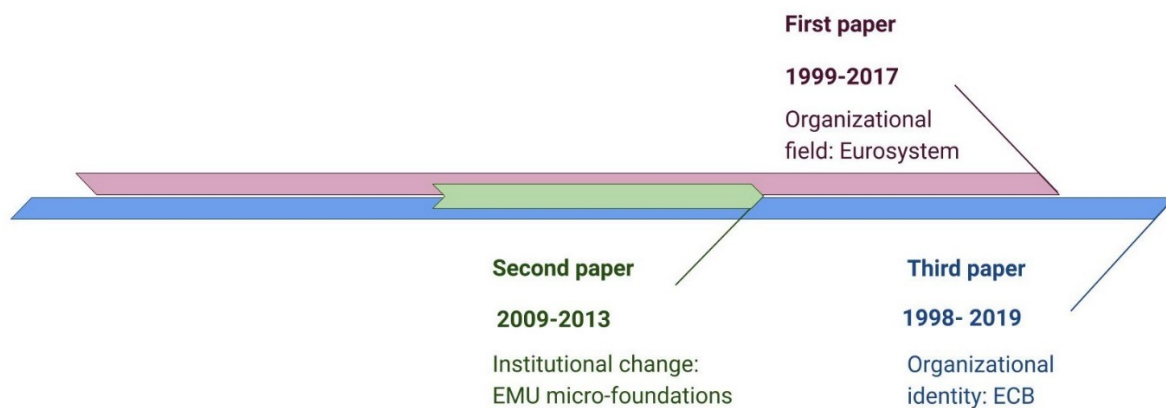
The focus of the current study may be perceived as an oxymoron as well. Looking through the lens of sociology at the most rational aspect of European integration, the Economic and Monetary Union (EMU), we mix two scientific paradigms that do not interact often. This particular integrative facet catches our attention as it features the initial arrangements of the countries, that have been considered self-sufficient by many at that time. Devised in rational and technical terms, their agreement have led to a particular development of the European project and enabled distinctive social dynamics. The converse is also true - the social outlook has brought adjustments to the initial set-up of the Union, so we witness a different reality compared to the one designed three decades ago.

In the study we connect the EMU context with a theoretical agenda of sociological institutionalism, that inquires into social and cultural explanations of institutional dynamics. This perspective may provide a more complete and thorough understanding of the EMU evolution. Studied mostly in the research framework of two other views on institutions, coined as historical and rational choice institutionalisms (Hall & Taylor, 1996), the EMU lacks to be understood as a 'social fact' (Durkheim, 1982), constructive for society and

culture, and simultaneously constructed by them. For sociological institutionalism the EMU case appeals as a recent example of an institution in the making, that aims to link identity groups and overcome cultural and social ‘fault lines’¹. In this respect we are very inspired by the words of Richard Scott, chosen as the epigraph of the study.

The third component that makes our multidisciplinary inquiry possible is language. Language and society are in reciprocal relations – from one side language shapes social interactions, from another – social interactions are constructive for language. In our study the language dynamics both reflect patterns of interaction (paper 1) and constructs social categories (papers 2 and 3) within the EMU. Addressing language, we explore methodological advances of computational linguistics and show its use for an empirical inquiry into institutional dynamics. We do not claim the capacity of this methodology to substitute traditional methods of text analysis, rather we portray their complementarity for tracing evolutionary dynamics of institutions [siding with Mohr, Wagner-Pacifici, Breiger, & Bogdanov (2013, pp. 676–677)].

Our study comprises three papers that show the EMU dynamics through the lens of several concepts of sociological institutionalism. Figure below shows a general framework of each paper, describing the time frame covered, the focus of theoretical attention [the concepts we address] and the empirical context [the entities we explore].



¹ coined by Samuel Huntington, the concept describes civilizational divides in the global order (Huntington, 1996); we use it by analogy to emphasize national restraints that accompany European integration

Institutional environments are analyzed at different levels. The entities we address in the papers correspond to them, nevertheless we take this correspondence only as a starting point of analysis, as levels are inextricably linked and institutions evolve at their interplay.

The first paper takes a bird's eye view of the EMU and explores its macro-level dynamics. Treating the Eurosystem² as a field, we take literally the EU motto *united in diversity* and inquire into the dynamics of the field's plurality in the last 20 years. We observe the coexistence of uniformity and diversity in the accounts of the central banks, organizations, that are affected the most by the framework of European integration.

Noting that a significant change occurs when the EMU transforms into the banking union, *in the second paper* we explore the microfoundations of these dynamics. Analyzing the sequential enactments of the key role in the EMU, President of the ECB, we show how the previous embeddedness of the second president affects his role enactment and forms his intention for a particular direction of the EMU development.

The third paper studies institutional dynamics at the meso-level. Exploring the identity dynamics of the central organization of the EMU, the European Central Bank, we show that it evolves along with the social context around it. With time the organization comes to be defined as accountable and active in words of its leaders and changes its identity from managing to governing.

Our sociological insight in the EMU construction contributes to the literature on transnational dynamics. This research stream builds on the sociological tradition (Meyer, Boli, Thomas, & Ramirez, 1997) and connects institutions and transnationalization (Djelic & Quack, 2008), understands transnational governance (Djelic & Quack, 2010; Djelic & Sahlin-Andersson, 2006), conceptualizes meta-organizations (Ahrne, Brunsson, & Kerwer, 2016). Defining the field theoretically, it lacks a systematic empirical investigation of a transnational

² comprises the ECB and the national central banks, that adopted the euro as a sole legal tender

environment. We contribute to this growing stream of literature with our empirical study of the EMU evolution.

The paper 1 depicts that a transnational field evolves in two dimensions - around a single political idea ['political messianism' in Weiler (2012)] and through a 'battle of ideas' (Brunnermeier, James, & Landau, 2016). Thus, we show the Eurosystem as 'differentially homogeneous' (Djelic & Quack, 2010, p. 10) and evolving through the 'progressive structuring of the spheres of action and interactions' (Djelic & Quack, 2008, p. 300). In the paper 2 we reflect on the elites, who 'flow' (Djelic & Quack, 2010, p. 22), carrying ideas on governance, socio-economic processes and regulation, and shape transnational processes (Djelic & Quack, 2010; Djelic & Sahlin-Andersson, 2006). We reconstruct their skills and cognition (Fligstein & Mara-Drita, 1996) and depict them as 'soft actors' (Djelic & Sahlin-Andersson, 2006, pp. 11–12), showing why transnational arrangements persists or wane beyond individual deliberation. Finally, in the paper 3 we explore the self-perception of an organization that coordinates transnational dynamics. We show how it acquires the quality of 'exteriority' and develops the reality of its own (Djelic & Quack, 2008), taking more active role in the coordination and regulation of a transnational environment (Djelic & Sahlin-Andersson, 2006, p. 4)

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PLURALISM IN A LOCKSTEP: CENTRAL BANKS IN THE EURO AREA

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In the paper we look into a field upon settlement, when the members agree on the terms of cooperation. Acknowledging institutional pluralism, we inquire into its dynamics in such field and the relational patterns it reflects. We address the context of the European central banking upon the decision to execute a common monetary policy and adopt a single currency. Applying topic modeling, we extract themes that the central banks address in the introductions to annual reports and assess the distance of the texts. We find that the central banks share institutional topics, but at the same time keep the plurality of their accounts, addressing nationally relevant issues. Relationally, the accounts exhibit both convergence and divergence and altogether form clusters due to the choice of topics by the central banks. We contribute to the literature on field dynamics. We show how the settlement of a field affects the dynamics of pluralism in it and defines field pathways. In particular, it deters the field from transformation into a contested state.

Keywords: field dynamics, isomorphism, pluralism, topic modeling, the Eurosystem

“The legitimacy of a given organization is negatively affected by the number of different authorities sovereign over it and by the diversity or inconsistency of their accounts as how it is to function”
(Meyer & Scott, 1983, p. 202)

The implementation of the Economic and Monetary Union (EMU) in Europe entered its final stage in 1999, when an ‘irreversible’ (Santer, 1997) institutional framework was established. Centered on monetary integration, it directly affected the national central banks (NCBs) (Dyson & Marcussen, 2009) that integrated in the Eurosystem³ to define and enact a single monetary policy. Economics apart, the Eurosystem strives to build a social dimension around a shared identity and speak with a single voice (Eurosystem mission, 1999). As such, in this ‘striking case of policy transfer’ (Radaelli, 2000, p. 30) the NCBs adapt not only the ways of organizing, but adjust their conception of governance. This adjustment motivates us to look at the Eurosystem from a sociological perspective.

Sociological lens on an institutional environment allows to conceptualize it as a field. It determines the contours of a ‘social space’ (Martin, 2011, p. 269) that are built around a coherent image (Scott, 2014b). That said, a growing number of studies, focusing on the moment of field emergence or change, depict a field in a contested state and look into the plurality of perspectives on an issue (Hoffman, 1999). This trend reflects a broader shift in institutional theory that aims to embrace the variety of a pluralistic world rather than its unifying principles (Glynn, Barr, & Dacin, 2000). Yet an excessive focus on pluralism may spiral into a view on fields as in ‘constant jockeying’ and as ‘rarely organized around a truly consensual “taken for granted” reality’ (Fligstein & McAdam, 2011, pp. 4–5), challenging thus the core assumption of institutional theory and its pivotal quest – to study institutions (Meyer & Höllerer, 2014, p. 1221).

Pluralism is an inherent feature of a field (Glynn et al., 2000; Kraatz & Block, 2008). At the same time fields significantly vary in their nature and conditions (Zietsma,

³ comprises the ECB and the NCBs that adopted the euro as a sole legal tender

Groenewegen, Logue, & Hinings, 2017), so that pluralism is expressed differently in different fields (Greenwood, Raynard, Kodeih, Micelotta, & Lounsbury, 2011). In an emerging field members compete over definitions and forms of organizing (Hoffman, 1999, p. 352), while in a stable (Fligstein, 2001) or settled one (Litrico & David, 2017) they come to prioritize one framework of organizing (Litrico & David, 2017; Greenwood et al., 2011). As such, the analytical focus shifts from the ‘ebbs and flows’ of plural logics to the effects of the prioritization on members (Greenwood et al., 2011, p. 318), who nevertheless need to comply with the expectations of ‘multiple social systems’ (Kraatz & Block, 2008, p. 247). This way the interactions and relations of field members (Jepperson, 1991; Fligstein, 2001; Martin, 2003, 2011) in the framework of pluralism come into the picture, defining the field and serving as a proxy of its evolution.

Language creates a discursive space that defines a field (Snow, 2008). The meaning of an emerging field arises in the debates on an issue or a framework of exchange (Zietsma et al., 2017), where language is used pragmatically to defend members’ positions (Leibel, Hallett, & Bechky, 2018). Once a working consensus is reached (Martin, 2003) and a field settles, its members inevitably start to internalize the shared rules of the game and ‘mutually attune’ (Jepperson, 1991) in language (Snow, 2008). Yet Helms & Oliver (2015) show that a settlement may as well destabilize a field if the constituencies are too polarized. Therefore, the dynamics of a field upon settlement in the framework of pluralism is an open empirical question that we aim to unravel. We ask *How does pluralism evolve in a field upon settlement?* and *What relational dynamics does it reflect?*

Answering these questions, we explore the Eurosystem as a field that settles on a common framework of monetary policy execution. Monetary policy decisions imply trade-offs, that have significant distributive consequences for the constituencies (Stiglitz, 2017, pp. 160–162). Thus, *national* central banks may have different stances on monetary policy and

define the field boundaries from specific subjective positions (Greenwood & Meyer, 2008, p. 261). Settled to carry out a single monetary policy, how do they express the plurality over the years? Focusing on the case of the Eurosystem, we inquire into its relational dynamics in the presence of pluralism.

To unfold these dynamics in a systematic way we address texts regularly produced in the environment (Phillips, Lawrence, & Hardy, 2004) – annual reports of the Eurosystem members. We treat these texts in a broad sense as narratives, that provide [yearly] clues on how the world is organized and conceived (Patterson & Monroe, 1998) for a respective central bank. Attributing an ‘organizational voice’ to a head of a central bank (Taylor & Cooren, 1997), we include in the analysis only the introductions of the reports that are delivered by organizational leaders.

We observe the evolution of the central banks’ narratives in the field over time. Using topic modeling (Blei, Ng, & Jordan, 2003), we discover main themes in the whole text collection (i.e. the plurality of the field) and present the narratives of the central banks with respect to them, mapping similarity and difference of their ‘claims about the region of institutional space in which they seek to operate’ (Mohr, 1998, p. 350). This way we explore the relational evolution of the field in the last 20 years.

We find that the central banks share the institutional agenda, yet regularly address nationally relevant topics. They form clusters due to their choice of topics that reflect their social or organizational closeness. Overall the field progresses through both convergence and divergence that are shaped by the conditions present at the moment of the settlement.

We present our study in the following way. First, we provide theoretical grounds to explore pluralism in a field upon settlement. Second, we describe the empirical case, present data and explain the application of topic modeling to our inquiry. Finally, we report findings, discuss them and summarize potential contribution of the study.

THEORETICAL BACKGROUND

Field as a unit of analysis. Developing sociological view of institutions, DiMaggio & Powell (1983) focus on the collective rationality that directs organizations in an ‘area of institutional life’ (p.148). Defined as an organizational field, this area of ‘simplified dimensionality’ allows to ‘determine the contours of a “social space”’ (Martin, 2011, p. 269) and operationalize an inquiry into the social structure. As such, a field as a unit of analysis directs attention to a ‘meeting place’ of diverse organizations, that ‘while having dissimilar goals, felt it necessary and advantageous to interact with one another to accomplish a given task’ (Wooten & Hoffman, 2008, p. 131). Therefore, a field is tangibly defined by relational dynamics in it (Martin, 2003; Greenwood & Meyer, 2008) and characterized by a mutual attunement of the members and their orientation to each other (Jepperson, 1991; Martin, 2011, pp. 269–270).

Recent studies of field dynamics focus on a moment of field emergence or change. They explore how a coherent image of a field (Scott, 2014b; Wooten & Hoffman, 2008) is being (re)-constructed in interpretations of an issue by different parties (Hoffman, 1999). As a result, the pragmatic language that accompanies the process comes to the fore (Leibel et al., 2018). This way the conception of a field transforms from being an ‘area’ to ‘arena’, that emphasizes its contentious nature and allows to conclude that issues are in ‘constant jockeying’ and are ‘rarely organized around a truly consensual “taken for granted” reality’ (Fligstein & McAdam, 2011, pp. 4–5).

Focus on contestation in field dynamics reflects a more general shift of institutional theory that inquires into the matters of variety, rather than unifying principles of an institutional environment (Glynn et al., 2000). Yet, embracing pluralism and integrating it in the tradition of sociological institutionalism, it is crucial not to ‘lose sight of the key quest – studying institutions’ (Meyer & Höllerer, 2014, p. 1221). As inquiry into field dynamics

under the banner of pluralism leads to question the main assumption of institutional theory, the taken-for-grantedness of institutions, we look for a more comprehensive picture of institutional pluralism, focusing on fields of different nature (Greenwood et al., 2011; Zietsma et al., 2017).

Field dynamics: isomorphism and pluralism. Field settlement (Litrico & David, 2017) and emergence of a collective rationality lead to ‘organizational homogeneity in structure, culture, and output’, coined as an *organizational isomorphism* (DiMaggio & Powell, 1983, p. 147). The seminal paper importantly shapes the framework of a research inquiry into field dynamics, and isomorphism becomes equated to institutionalization (Tolbert & Zucker, 1983), turning to a ‘default dependent variable for institutional theory’ (Heugens & Lander, 2009, p. 62). At the same time, premise of isomorphism empirically shows inconsistent results (Boxenbaum & Jonsson, 2008, pp. 81–85), and its conception has shrunk⁴, due to the focus of an empirical inquiry on its structural aspects (Boxenbaum & Jonsson, 2008, pp. 82–83) [e.g. DiMaggio & Powell (1983) include isomorphism of culture in their conceptual framework].

Partially responding to the ‘neglect of cultural identity’, partially problematizing search for unifying principles of ‘what is, in reality, a pluralistic world’ (Glynn et al., 2000, pp. 726–727) the conception of institutional pluralism emerged (Kraatz & Block, 2008). It states that ‘the rules of the game’ are not defined by one reality, rather different social spheres exert different demands on organizations (Kraatz & Block, 2008, pp. 243–244), so their responses do not necessarily follow the same line (Oliver, 1991; Kraatz & Block, 2008). Instead of a concerted isomorphism, interactions in the framework of pluralism may evolve across different locus and range from a simple coexistence of units to their binding (Goldstone & Useem, 2012, p. 41).

⁴ e.g. a definition from the Wikipedia – ‘similarity of *processs* or *structure* of one organization to those of another’

Pluralism is an inherent feature of a field (Kraatz & Block, 2008). With that fields vary in nature and condition (Zietsma et al., 2017). Thus, it is important to understand what facet of plurality becomes exposed in each account of field dynamics. Looking into the plurality of a contested field we explore ‘ebbs and flows’ of different logics and perspectives (Greenwood et al., 2011, p. 318), i.e. *members’ cacophony*, and an eventual emergence of a dominant meaning system that leads to field settlement (Litrico & David, 2017). Instead, starting an observation from the point of field settlement, when the ‘identifiable patterns of interaction’ are introduced (Greenwood et al., 2011, p. 335), we inquire into how this working consensus (Martin, 2003, p. 23), that however does not encompass all the reality, affects the field future, i.e. which institutional effects the settlement has on *members’ attunement*. Martin (2003, p. 23; emphasis in original) frames this distinction metaphorically: ‘what is at stake in a chess, tennis, or sumo tournament is not simply which individual will be the winner, but what *kind* of chess, tennis, or sumo (and hence, what *kinds* of players) will dominate the field in the future’. Therefore, different facets of institutional pluralism come to focus, when we explore fields of different nature; and addressing a field upon settlement, we focus not on the variety of pluralism per se, but on the co-evolutionary dynamics of diverse members of the field, who behave within the framework of shared interpretations and actions.

Language of the field. Differences in the nature of fields entail difference in the language that organizations use. The language of a contested field is expressly political and explicitly pragmatic, thus the emerging meanings are explored by the tools sharpened in the political science, such as discourse, rhetoric and frame analysis (Leibel et al., 2018).

Instead, the language of a field upon settlement is less politically loaded. Besides, focus on the mutual attunement of field members (Martin, 2011, pp. 269–270) shifts a linguistic inquiry into the dynamics of the stories, in which organizations describe the reality around them. Despite a working consensus (Martin, 2003) organizations in the framework of

pluralism are compelled to ‘norms, values and beliefs of multiple social systems’ (Kraatz & Block, 2008, p. 251). Therefore, their narratives show how these systems are weaved into a coherent story (Patterson & Monroe, 1998), that connects events, relations and focal points of attention. Accounting for the closeness of these narratives in a field upon settlement, we may grasp how pluralism evolves in the field and what relational dynamics it reflects.

RESEARCH DESIGN

Inquiring into the dynamics of pluralism in a field upon settlement, we explore an empirical setting of the Eurosystem, a monetary authority of the euro area. The agreement to execute a common monetary policy changes traditional ways of governance for national central banks and leads to profound organizational and cultural transformations. We address this ‘striking case of policy transfer’ (Radaelli, 2000), and look into the dynamics of pluralism and relational patterns upon the Eurosystem emergence.

Research context. The idea of European integration was shaped in the aftermath of the Second World War. The ‘founding fathers’ of the united Europe, Robert Schuman and Jean Monnet, described it as a long process, evolving through sudden and dramatic changes, so that Europe becomes ‘the sum of the solutions adopted for these crises’ (Monnet, 1978, p. 417). The Maastricht Treaty, signed in 1992, formalized the integrative intent of the countries and codified their agreement to cede monetary sovereignty (Mundell, 2002). As a result, on January 1st, 1999 an *irreversible* (Santer, 1997) institutional framework emerged, where the national central banks (NCBs) and the supranational European Central Bank (ECB) integrated into the Eurosystem to govern the single monetary policy.

Institutional trajectory of the Eurosystem is a move from heterogeneity to homogeneity. The working consensus (Martin, 2003) to pool monetary policies, devised by economists, has meant to converge the economies, i.e. to even growth rates of the countries

by the virtue of a single market. Yet, the aspiration of convergence in the Eurosystem is expressed not only in economic terms, but social as well - the NCBs want to build a shared identity and speak with a single voice (Eurosystem mission, 1999).

A national central bank is a monetary authority of a nation-state. Joining a monetary union, it cedes the control over decision-making and its organizational essence. Both losses pose challenges for organizations with history dating back decades and centuries (e.g. the Bank of Spain was established in 1782) and entail not only a search of new ways of organizing, but the conception of their role in the new framework. As public entities, the NCBs are accountable to the national authorities and citizens, thus their accounts have national orientations; at the same time, agreeing to execute a single monetary policy, they want to develop a single voice of strategizing. This makes the case of the NCBs' consolidation in the Eurosystem relevant for an inquiry into the dynamics of pluralism in a field upon settlement.

Monetary policy decisions in the Eurosystem are made in consensus, therefore, the plurality of this field is not explicit, rather it is deliberately hidden owing to the established institutional framework (Dyson & Marcussen, 2009). As such, the debates over decisions are not public⁵, and only collegial judgments are delivered. Therefore, we explore the dynamics of pluralism in the Eurosystem addressing organizational accounts of the central banks. We make a systematic inquiry into the language of their annual reports since the field settlement in 1999. Committed to report their activities to the public, the central banks produce them on a regular basis, and their accounts reveal 'social categories and norms that shape [their] understandings and behaviors' (Phillips et al., 2004, p. 638), revealing this way inherently present plurality of the field.

5 the accounts of the ECB Governing Council meetings, that are made public since 2015, hardly may be called debates

Data. Annual reports of the ECB and 10 NCBs, that constituted the Eurosystem at the origins⁶, are collected from official sites or requested from the respective central banks. The reports cover a period from 1999 to 2017, adding up to 209 documents. We start observation from the year, when the Eurosystem was launched, considering it as a field settlement.

Annual reports have unique features, that are particularly important for our inquiry. First, they are a form of accountability for the public, so the accounts of the central banks would inevitably “resonate with citizens’ substantive values” (Schmidt, 2013, p. 11) and reflect their national embeddedness, that is of high relevance in our quest of pluralism dynamics. Second, the regularity of the reporting allows to compare texts systematically and grasp yearly ‘snapshots’ of the field evolution. Finally, annual reports are available in English, ensuring their linguistic comparability.

We include in the database only introductions⁷ to annual reports and, if available, presentations of the reports to the national or European (in case of the ECB) authorities. We analyze introductions rather than full versions of the reports, as they provide a more concise description of organizational agenda for a corresponding year. Delivered by one individual, head of a central bank introductions represent an ‘organizational voice’, recognized as legitimate by the community (Taylor & Cooren, 1997).

Data preprocessing. Our database of 209 documents in -pdf format is preprocessed with Poppler library [*pdftocairo* module to crop running-titles up and down the pages; *pdftotext* module to transform documents to -txt format]. Due to the focus on narration, tables, charts, figures etc. are eliminated with a *regular expressions* query. Further steps of analysis are performed in Python programming language. Before processing all words are lemmatized, and stop words are eliminated, combining *nltk* English list and corpus-specific

6 exception is bank of Portugal lacking introductory part in the annual reports

7 titled ‘concluding remarks’ in case of the Bank of Italy

list⁸, that prevents a rough country-wise split of the future topics (DiMaggio, Nag, & Blei, 2013). This results in 9988 unique words. As texts in the corpus vary significantly in their length, we divide them in paragraphs for analysis (totaling to 11271); after processing, the reports are restored to original length by averaging the results [i.e topics' shares of each paragraph].

Analysis. To explore the dynamics of pluralism in the Eurosystem we develop a framework of analysis (Figure 1). First, using a method of topic modeling, we define the main themes of the corpus (Words-Topic output) and account for their presence in each text (Topics-Document output). Second, quantitatively, we apply statistic measures of distance to Topics-Document output to understand an average distance of the central banks each year, based on the choice of the topics. This way we map their relational dynamic. Third, qualitatively, we manually label the topics and explore their evolution, revealing the dynamics of pluralism in the central banks' narratives.

Insert Figure 1 about here

Topic modeling. We retrieve the main themes of the corpus using Latent Dirichlet Allocation (LDA) model (Blei et al., 2003). Topic modeling is based on a statistical algorithm that discovers main themes ('topics') in a text collection. Method is widely used in linguistics and digital humanities to understand a thematic content of large volumes of text data and provide grounds for their classification. Recently it is introduced for managerial and organizational inquiry (DiMaggio, Nag, & Blei, 2013; Hannigan et al., 2019). Baumer, Mimno, Guha, Quan, & Gay (2017), for example, comparing topic modeling and a well-established method of grounded theory (Glaser & Strauss, 1967), conclude that they provide similar, sometimes complementary insights into the phenomenon. We find this method fitting our research question, as it allows to define a thematic content of a text collection [i.e. field

8 includes countries' names, pre-euro currencies names, word 'bank' in different languages etc.

pluralism], that serves as a means for describing the content of particular texts [pluralism of each central bank] and compare them, tracing thus the dynamics of pluralism and the relational patterns that reflect it [choice of the topics by the NCBs].

Summary. A probabilistic LDA model was built on the corpus with *gensim* module [implementation based on Hoffman, Blei, & Bach (2010)]. We feed all texts of our collection (rather than e.g. building models for each year) to find the variety of themes (topics) of the field-in-evolution (DiMaggio et al., 2013). The algorithm finds latent topics in a collection and gives as an output two types of probability distributions. First, words representing each topic, that are interpreted and labeled by [at this stage labeling is made by the author, but in the future we will involve field experts for more rigorous labeling]; second – topics contained in each input text.

Technical aspects [for extensive technical summary on the method application we address a reader to Maier et al. (2018)]. The result of the LDA model depends on several input parameters, therefore, we provide a technical summary of choices made in the analysis.

First, priors α and η , that account for the smoothness of the resulting probability distributions, document-topic and word-topic, consecutively. The lesser the prior – the more model is biased towards sparsity and look for fewer but distinct topics/words. We choose $\alpha =$ ‘auto’ (adapts with every iteration) and $\eta=0.02$ to get well-defined topics.

Second input parameter is the number of topics the algorithm looks for. The choice of this parameter significantly depends on the size of vocabulary, however, there is no general framework of reference between the two. In practice the number of topics is usually determined in trials, so models with different numbers of topics are judged by the quality of the output. The quality of topics could be assessed in quantitative and qualitative ways. In the first applications of the method quality assessment was of quantitative nature – metrics of

perplexity, likelihood and coherence. However, Chang, Gerrish, Wang, Boyd-graber, & Blei (2009) show that good quantitative metrics do not correspond with human interpretability of the topics and suggest that human interpretation of the topics responds better to the aim of the method – help people navigate in large amount of text data. Controlling the output with a human judgment is especially relevant for field-specific texts (DiMaggio et al., 2013). We asked an expert to eyeball several outputs of topic modeling with different numbers of topics and selected model with 30 topics (Appendix).

Last issue to consider is a probabilistic nature of the LDA model, thus the initial assignment of topics (the first iteration) is done at random. This means that without fixing an initial point (seed) the model would provide slightly different results that might question their replicability. In practice, however, well-defined topics are usually recognizable independently of the initial point of iteration. Holding all input parameters invariant, we choose five seeds at random and build 5 models, then we eyeball topics of each to assess the quality and select one as the final model.

Topics-document⁹ probability distributions. As shown in the Figure 1, one of the outputs of the LDA model is topics-document probability distributions, that shows shares of the topics in each text of the collection. We analyze them quantitatively and qualitatively [after labeling topics].

Quantitative analysis: distance between the texts. Topics-document probability distributions represent each document in a quantitative way. Thus, we apply statistical metrics of distance, Jensen-Shannon divergence and Hellinger distance [we present only the latter in the graphs], to the distributions pairwise. As a result, we obtain a 209x209 symmetric matrix that exhibits ‘topical distance’ between the documents. These metrics are widely used for text categorization and especially relevant for measurements of distance between probability

9 for analysis we have splitted texts in paragraphs to avoid overrepresentation of the lengthiest ones. Here the reports are assembled back to their original size by averaging shares of paragraphs representing each report

distributions (Gibbs & Su, 2002). They range from 0 to 1, where 0 assumes that two documents are identical, and 1 – completely different.

Grouping and averaging the matrix *by year*, we obtain an average annual distance between the reports of the central banks (Figure 2 in the next chapter). It presents in a quantitative way how distant are the Eurosystem members on average in their choice of the topics every year. It allows to trace the relational dynamics of the central banks along the field evolution.

We grasp as well an overall relational patterns between the central banks. Grouping and averaging the matrix *by central bank*, we show their topical distance with each other (Figure 4).

As well, we look to trace the direction of the field dynamics. Organizational isomorphism entails that organizations would assimilate with respect to institutionally defined accounts. In the Eurosystem the ECB shapes the field-level agenda, therefore we exhibit a ‘topical distance’ between each NCBs and the ECB (Figure 3).

Qualitative analysis: evolution of the topics. Integrating the labeled topics into the topics-document probability distributions, we obtain a labeled topics-document matrix and make visualizations of the evolution of the central banks’ narratives.

To grasp better the dynamic of pluralism in the field and provide more perceptible visualizations we distinguish between common and different topics. For each topic we check if it appears (provides non-zero values) in at least 105 reports [i.e. roughly half of total 209], thus marking it as common. Otherwise it is considered as different. This results that out of 30 topics 8 are defined as common (shared, field-level topics) and 22 as different (not shared by all central banks), i.e. appropriate only to some central banks or some periods (Figures 5 and 6¹⁰).

10 for better visualization we select only ‘strong’ different topics. Thus, we apply a threshold and show only topics that appear in more than 5 reports for each central banks

FINDINGS

The study explores the evolution of a field upon settlement. Organizations are embedded in multiple social and relational systems (Kraatz & Block, 2008), and view the field from particular positions (Greenwood & Meyer, 2008), so we inquire into the effects of a working consensus (Martin, 2003) on field's plurality and relational dynamics in it. Empirically we look into the evolution of the Eurosystem since the members' enactment of a common monetary policy, and analyze texts, that reveal their agendas and worldviews. Assessing the content and thematic distance of the texts, we understand the relational dynamics in the Eurosystem.

Quantitative dynamics. Quantitative analysis, that measures a thematic distance between the central banks' narratives every year, shows the dynamics of convergence and divergence. We feature milestones of the Eurosystem evolution (Figure 2) to understand the effects of the events on the field dynamics (Goldstone & Useem, 2012).

Insert Figure 2 about here

We observe that the trend for convergence is importantly shaped by two events: endogenous – the introduction of the euro as the only legal tender in 2002, and exogenous – the financial crisis of 2007-08. The diverging dynamics between the narratives starts in 2012, when European countries decide to consolidate into the banking union [we address this seemingly counterintuitive dynamic in the discussion part].

Institutional literature emphasizes that field dynamics are importantly shaped by developments of a normative framework (Scott, 2014a) – a regulatory enforcement entails more coercive pressures on organizations and leads to isomorphism (DiMaggio & Powell, 1983). Assessing this aspect, we mark milestones of the Stability and Growth Pact (SGP), that reinforces the regulation in the Eurosystem. We do not observe well-articulated patterns

of convergence between the central banks' narratives, associated with regulation development.

The premise of organizational isomorphism underlies that organizations would assimilate with respect to the account defined at the field macro-level, looking for legitimacy. In the Eurosystem the ECB represents this level. Accounting for the dynamics of distance between narratives of the NCBs and the ECB (Figure 3), we observe 'synchronization' of the central banks in the choice of topics with respect to the ECB till 2011, and 'desynchronization' afterwards. Thus, in the period of convergence the NCBs' narratives assimilate and evolve towards the macro-level, while diverging, they diverge altogether from the accounts of the ECB.

Insert Figure 3 about here

Lastly, we understand a relational distance between organizations in the field. Figure 4 exhibits an overall distance of the central banks' narratives and shows that they reveal stable patterns of pluralism and form groups due to the systematic choice of some topics rather than other.

Insert Figure 4 about here

In the next sub-chapter we will clarify the content of the topics and provide more substantive dynamics of these relations. Yet even from the quantitative measures we may infer that a 'topical' closeness of the NCBs [i.e. choice of topics and their distribution in texts] to some degree reflects the historicity of their relations. For example, low distance between the Bank of France and Bank of Belgium¹¹ highlights the similarity of their socio-historical contexts, thus, attention to particular issues; closeness of the Bank of Luxembourg

¹¹ the lowest for the whole graph

to the ECB and Bundesbank reflects that the former is not embedded in particular organizational or social tradition [established in 1998], thus, is consistent with a macro-level narrative and a German one, one which the environment is built (Dyson & Marcussen, 2009; Krampf, 2014). The distance of two central banks, the Bank of France and Bundesbank, with respect to the ECB is of particular interest, as these major economies shape the Eurosystem, advancing their views on the economic system (Van Esch, 2014; Murlon-Druol, 2017). Our findings support this point. Figure 4 shows that overall the narratives of the two NCBs are more distant (0.18), than the accounts of the ECB and Bundesbank (0.11), and the ECB and Bank of France (0.15). These relations in dynamic (Figure 5) reveals that they follow periods of inverse closeness/distance relations with the ECB.

Insert Figure 5 about here

Qualitative dynamics. We complete our account on the dynamics of pluralism in a field upon settlement exploring the evolution of the topics. In analysis we have distinguished between common (more stable or shared) and different (more volatile or not shared) topics, so we describe the content of the NCBs narratives in the framework of this distinction.

Common topics. Figure 6 presents the topics on which the field mostly agrees; the upper subgraph shows their share in the narratives at each year and the lower one exhibit their strength for each central bank. The NCBs frequently address topics, on which the Eurosystem (and broadly European integration) was settled: *European integration (#2)*, *economic growth (#25)*, *stability in monetary issues (#28)*, *focus on price and inflation (#6)*. The topics are relatively stable (compared to different ones in Figure 7) and all central banks absorb them in their accounts (to more or less extent – see the lower subgraph). In 2007 a new common topic, related to the *financial crisis and world imbalances (#9)* emerges.

Insert Figure 6 about here

Different topics. We define a number of topics, that in the evolutionary dynamics of the field are specific for some central banks and some periods (Figure 7). These topics show a greater volatility (upper chart) compared to the common ones, and their selection by the central banks (lower chart) reflects the embeddedness of each central bank in social and organizational structures. *Pension system (#1)* is a relevant topic for the Bank of the Netherlands, as the country is known for a generous social support upon retirement; *Labour cost and productivity (#22)* for central banks of Belgium and France, as both have strong social security system; *European institutional framework (#12)* for the ECB, the central banks of Germany and Luxembourg; *New management challenge (#24)* by the central banks of Ireland, Germany, Finland and Austria, as the countries are known for innovativeness; *Service sector, competition and investment (#18)* for the central banks of Spain, Italy, France and Belgium etc. These topics, making part of narratives of some banks and not others, reflect the plurality of the field.

Insert Figure 7 about here

Different topics, that the central banks address provide substantive clarifications of their relations (Figure 4). Combining two graphs we show an example of a more in-depth relational analysis of the field dynamics. The central banks of France and Belgium show the lowest distance values (Figure 4), as they address the same *different* topics (#14, 18, 22) in the narratives (Figure 7). Their appeal to ‘social’ topics (labour market, service sector etc.) reflects their embeddedness into national systems, where social orientation is crucial [e.g. suggestions by Jacques Delors to include a social dimension along with a monetary one in the EMU framework (Hantrais, 2000, pp. 5–7)].

Overall the dynamics of the narratives' content shows that in general the central banks express similarity and difference of their views on the field in their topical preferences. In the period of crisis though (~2007 till end 2011), the share of similar topics increases, while of different ones decreases; and a new common topic emerges.

DISCUSSION

Drawing on the case of the Eurosystem, we explore the dynamics of a field upon settlement (Litrico & David, 2017), where a working consensus is reached (Martin, 2003, p. 23) and expressed in 'long-standing and difficult-to-change rules' (Goldstone & Useem, 2012, p. 40). On the one hand it entails a more predictable structuring of a social space (Martin, 2003), on the other – it may destabilize the field if the members are significantly polarized (Helms & Oliver, 2015). Thus, we observe a field from the moment of settlement, asking how it evolves in the framework of pluralism and what relational dynamics it reflects.

Dynamics of pluralism. Institutional pluralism entails that organizations respond to multiple social systems that are relevant for their functioning (Kraatz & Block, 2008; Greenwood et al., 2011). Our findings show that the central banks of the Eurosystem feature this logic and in their narratives regularly refer to both institutional and national topics (Figures 6 , 7). Thus, the NCBs are binded functionally at one locus, but keep pluralistic worldviews at others (Goldstone & Useem, 2012, p. 41), revealing their multiple embeddedness as members of the field and as national public entities.

In the light of our findings we agree with Kraatz & Block (2008), who raise concerns about the resilience of the notion of *decoupling* in institutional theory in the framework of pluralism. Defined as a gap between formal policies and organizational practices (Meyer & Rowan, 1977), decoupling of an organization embedded in multiple social systems is difficult to tackle, as organizational accountability and legitimacy does not belong to one core (Kraatz

& Block, 2008). Checking for the effects of field-level discourse on the NCBs (Figure 3), we observe that there is a synchronization of the NCBs narratives with an institutional account [the ECB one] before 2011, and desynchronization afterwards. Is it a case of decoupling? *Yes*, if we consider that organizational legitimacy is centered at the institutional level, and *no*, if we regard it as spread among social systems. As organizations ‘sit upon cultural and societal fault lines’, their control and accountability circulate between different identity groups (Kraatz & Block, 2008, pp. 254–255). Therefore, rather than qualifying the observed dynamics as decoupling, that evokes connotations of wrong-doing and delegitimization, we see them as a shift in organizational attention (Ocasio, Laamanen, & Vaara, 2018). The NCBs communication alters, following the adaptive responses of the leaders [we elaborate further on why the ECB’s and NCBs’ focus of attention splits], who give coherence to organizational accounts in the framework of pluralism (Kraatz, 2009).

Relational dynamics. The variety of fields that differ in nature and conditions (Zietsma et al., 2017) directs the research towards an inquiry into the fluidity of fields that take on various forms with time. As such, the moment of change comes to the focus as a fork of field pathways (Zietsma et al., 2017; Micelotta, Lounsbury, & Greenwood, 2017) that shapes more stable or instable forms of fields (Botcheva & Martin, 2001; Goldstone & Useem, 2012; Furnari, 2018), where both internal and external conditions count (Furnari, 2018; Micelotta et al., 2017). We start to explore the Eurosystem at such fork, tracing the relational effects of pluralism in the field. The central banks show periods of discursive convergence and divergence (Figure 2), so we discuss them addressing the switches of these communication patterns.

Settling on a single monetary policy, the Eurosystem represent an aligned field, that has developed logic prioritizations, but not a strong institutional infrastructure [set of institutions that define the field (Hinings, Logue, & Zietsma, 2017, p. 172)] (Zietsma et al.,

2017, pp. 403–404). The tangible introduction of the common currency in 2002¹² strengthens the infrastructure and becomes an identity characteristic of the field triggering symbolic isomorphism (Glynn & Abzug, 2002). Further discursive convergence is enabled by the financial crisis of 2007. Settling, a field defines the rules of the game (Martin, 2003, 2011), that however agreed in certain conditions. An external shock changes these conditions, increases the uncertainty of the rules and sets the field in motion (Fligstein & McAdam, 2011). With that, the effect of the shock in terms of convergence/divergence is an open empirical question (Botcheva & Martin, 2001; Micelotta et al., 2017). In the case of the Eurosystem the share of different topics in the central banks' narratives decreases, while of common ones increases with emergence of a new common topic related to the crisis (#9); overall it results in convergence. Central bankers, who deliver the narratives, represent an epistemic community, thus share knowledge (Kaltenthaler, 2006), as well they regularly meet at the ECB Governing Council meetings. Both factors are crucial to sustain collaboration (Hardy, Lawrence, & Grant, 2005). Besides, framing the crisis as externality [see the new topic #9], central bankers strengthen cooperation (Rao & Greve, 2018). Thus, they come to describe the reality in 'common constructions' (Hardy et al., 2005, p. 66), translating it in the organizational accounts as well. Instead of looking for alternative perspectives that lead to contestation (Fligstein & McAdam, 2011) [in the context of our analysis it would have entailed the increase in share of the *national* topics], they stick more to the *institutional* topics. This way the crisis serves as a field configuring event, that supports institutional infrastructure (Hinings et al., 2017, p. 176).

Therefore, strengthening its institutional infrastructure, the field follows the pathway from an aligned condition to established one (Zietsma et al., 2017, p. 403), evolving through

12 before [since 2000] the euro existed in non-physical form; on January 1, 2002 the notes and coins started to circulate and by the end of February 2002 the euro remained the sole legal tender of the euro area countries

convergence [this direction of a field change is not indicated in the framework of Zietsma and colleagues (2017, p. 415)].

In 2012 the *diverging* cycle starts, coinciding with the decision of the member states on the EMU transformation into the banking union. Integrative nature of these developments suggests a higher degree of consensus in the EMU, that intuitively translates to the Eurosystem and leads to the assimilation of the NCBs narratives. Instead, we observe that the narratives diverge (Figure 2), moving the field away from its established condition (Zietsma et al., 2017, p. 415). At this fork there are two possible pathways – to realignment if the infrastructure weakens or to contestation if the logic prioritizations unsettle (Zietsma et al., 2017, p. 403). Considering that the decision to deepen European integration and establish the banking union sets a new logic in the field, we hold that its divergence is driven by a weakened institutional infrastructure, that assumes the realignment of the field.

From a structural perspective, the realization of the banking union entails a transfer of the supervisory function from the NCBs to the ECB and development of a new infrastructure [defined in three pillars¹³; still ongoing]. As such, it generates an organizational restructuring in all central banks, that usually leads to divergence (Dooley & Van de Ven, 2016), and the agenda of their narratives shifts internally, increasing share of *different*, rather than *common* topics. This way the focus of attention in the accounts of the NCBs, oriented *nationally*, and the ECB, oriented *institutionally*, splits (Ocasio et al., 2018) and their communication ‘decouples’ [the narratives of the NCBs altogether distance from the ECB (Figure 3)].

From a cognitive perspective, the decision on the integrated system of banking supervision is driven by the ‘fundamental challenges’ of the crisis (Van Rompuy, 2012; Glöckler, Lindner, & Salines, 2017) and comes as a radical settlement, that substantially alters the relations of constituencies in the field and challenges their sensemaking (Helms &

13 Single Supervisory Mechanism (in force since 03/11/2013), Single Resolution Mechanism (in force since 19/08/2014) and European deposit insurance scheme (not in force yet)

Oliver, 2015, pp. 472–473). Thus, it disrupts the existing status quo [the initial framework of the settlement] and destabilizes the field. With that, it does not lead to contestation (Fligstein & McAdam, 2011, p. 10), but to realignment (Zietsma et al., 2017). Fields often settle with the establishment of a regulatory framework (Greenwood et al., 2011; Hinings et al., 2017), as members develop the rules of the game (Martin, 2003, 2011), that create the framework of collective responsibility. The Eurosystem is not an exception and a ‘regulative pillar’ (Scott, 2014a) constitutes the basis of European integration. With that, the Eurosystem members are defined as an epistemic community (Kaltenthaler, 2006) and share the knowledge of benefits and dangers of the membership, so the field is supported by a ‘normative pillar’. Lastly, the integrative intent is fueled by the perception of common European past and future, so that a ‘cognitive pillar’ is in place as well. Presence of all three pillars at the moment of field settlement drives particular dynamics in it (Scott, 2014a) and plays role during the crisis, as ‘shared beliefs and understandings <...> deeply influence fundamental decisions about the organization’s control, identity, and reason for being’ (Kraatz & Block, 2008, p. 253). Thus, it keeps the field away from contestation.

Lastly, considering that there is no certain answer about the effects of an exogenous event on a field (Micelotta et al., 2017), we inquire into its influence on a field upon settlement, focusing on the crisis dynamics in the Eurosystem. Developing from an aligned to established condition, a field converges due to the perception of interdependence, enabled by three pillars, the shared identity embodied in the euro currency and the *externally* provoked global financial crisis, that increases coordination (Rao & Greve, 2018). When the crisis hits, the field members feel entanglement, adjust the ‘shaking’ rules and drive the regulation further¹⁴ (Djelic & Sahlin-Andersson, 2006, p. 4; emphasis ours), creating a more integrated environment. At the same time the nature of the crisis changes, and the *global* crisis translates

14 the Fiscal Compact that legally binds the states to exercise fiscal discipline and is de-facto a rudimentary fiscal union; the EU-level regulatory framework for national banks upon the decision on the banking union

into the *European* sovereign debt crisis, that divides the members of the field in ‘lenders’ and ‘borrowers’ (Stiglitz, 2017). This way the cause of the disaster is attributed to other community members that weakens the cooperative intent (Rao & Greve, 2018), increases the polarization of the field, and as a consequence raises the ‘existential’ question (Salines, Glöckler, & Truchlewski, 2012). Answering it, new logic prioritizations emerge and the field survival is reconfirmed. With that, the change of the previous agreement requires the redefinition of the field boundaries and realignment of its members, that is tangibly reflected in the divergence of their narratives. We observe thus that not the the nature of event itself, but its framings (Werner & Cornelissen, 2014) affect the field dynamics.

Limitations. The most significant limitation of the paper is sampling only the national central banks that originated the Eurosystem. As such, we disregard the accounts of the members, who have joined the system afterwards, and do not consider the pluralism brought by them. The choice is motivated by the focus of our inquiry. We aim to understand the effects of a settlement on the entities and their plural views, rather than present a complete picture of field’s plurality [relating to the typology of Zietsma and colleagues (2017), we think of the Eurosystem as an exchange field, rather than an issue field]. Therefore, we consider only the central banks that have enacted the common agreement in the first place.

CONTRIBUTION

We see our main contribution to the literature on field dynamics. Pluralism is an inherent feature of a field (Greenwood et al., 2011; Kraatz & Block, 2008) that persists even when the terms of cooperation emerge and a field settles. With that, the degree of members’ polarization may lead to different dynamics in a field upon settlement (Helms & Oliver, 2015). We understand the dynamics of pluralism in such field and show that it evolves through members attunement and disaccord and follows multiple pathways, that reflect the

fluidity of the field. With that, the changes of pathways are conditioned by the field characteristics and its conditions at the moment of settlement. We add as well to the literature on transnational governance fields (Djelic & Sahlin-Andersson, 2006), empirically exploring a transnational institution in the making.

We make a side contribution to the literature on the discursive construction of Europe (Hepp, 2016). The effects of central banks' communication on the society remain unexplored in the literature (Schmidt, 2014), as scholars are mostly concerned with its influence on markets and macroeconomy (Hansen & McMahon, 2016). We show the evolution of the national central banks' narratives in the euro area, that on the one hand reveals their social embeddedness, on the other hand – reflects the constructive power of institutionalized agreements on the society.

FIGURE 1. Framework of analysis

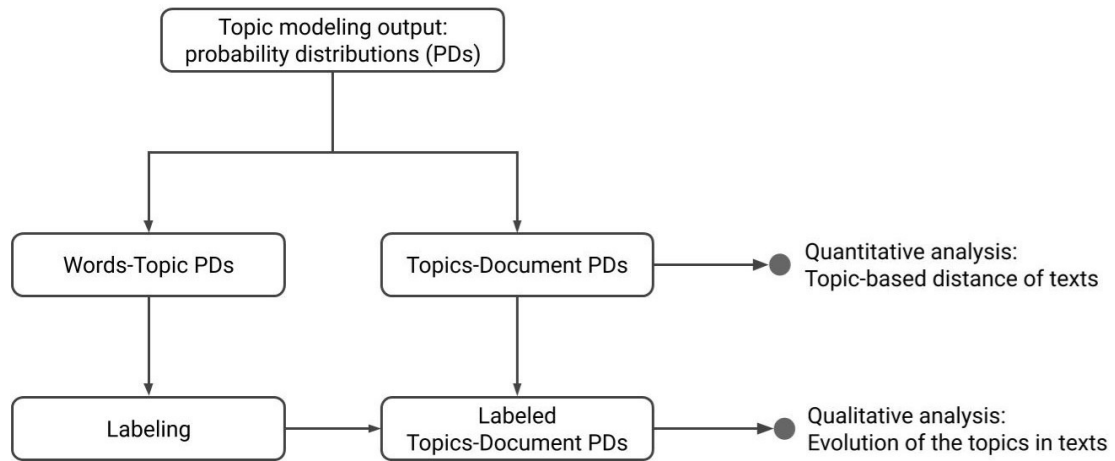


FIGURE 2. Average annual distance between the narratives of the central banks
[higher values account for distance, lower – for similarity]

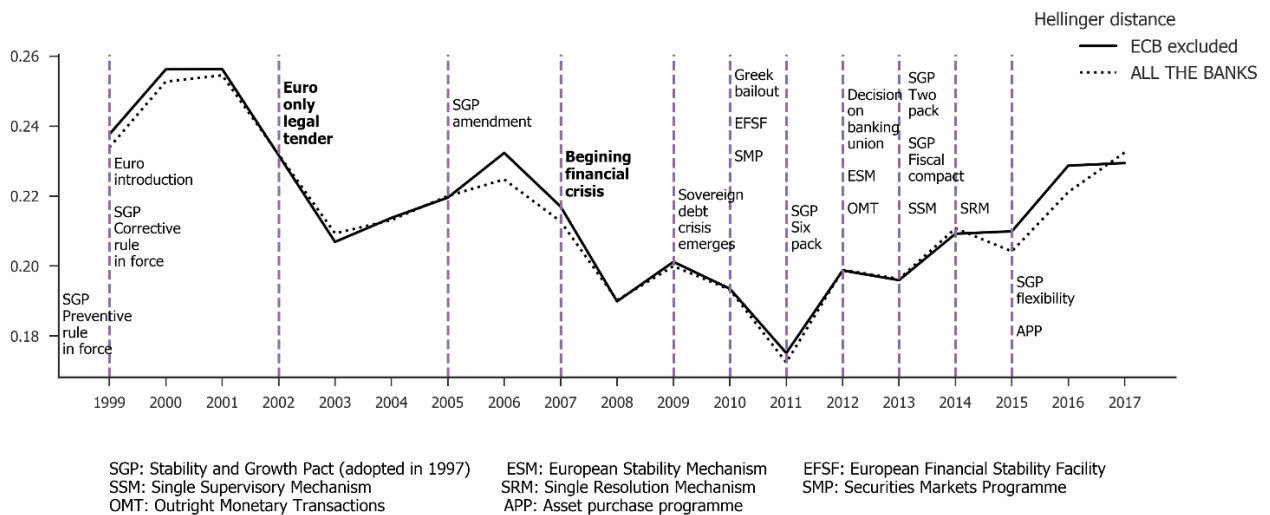


FIGURE 3. Average distance between each NCB and the ECB (upper) and median distance (lower) [higher values account for distance, lower – for similarity]

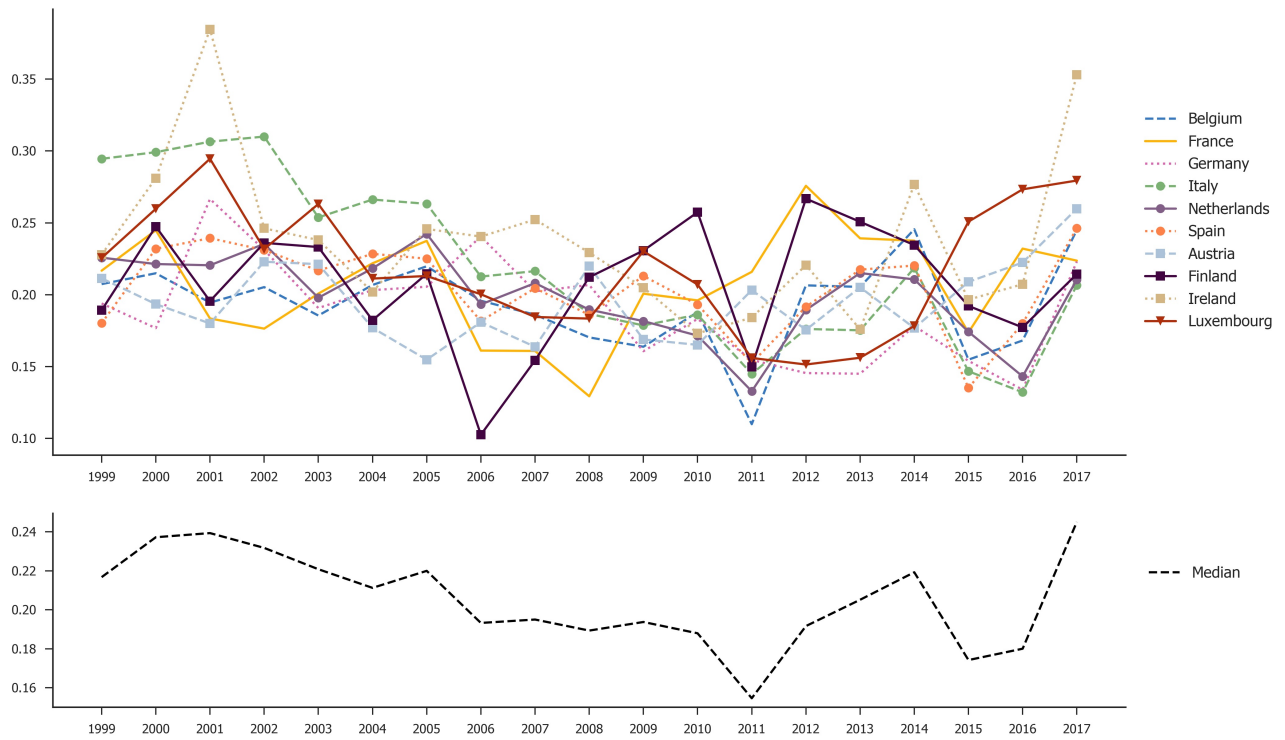


FIGURE 4. Overall distance between the central banks for the whole period of observation

[higher values account for distance, lower – for similarity]

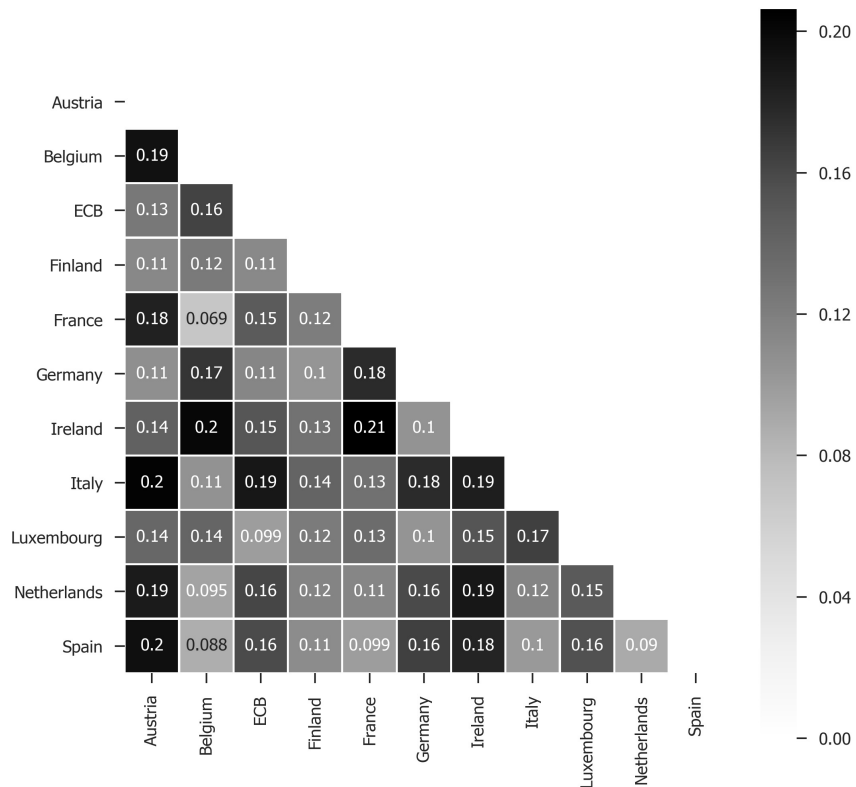


FIGURE 5. Distance between the ECB and Bank of France, the ECB and Bundesbank

[vertical lines mark the change of leadership]

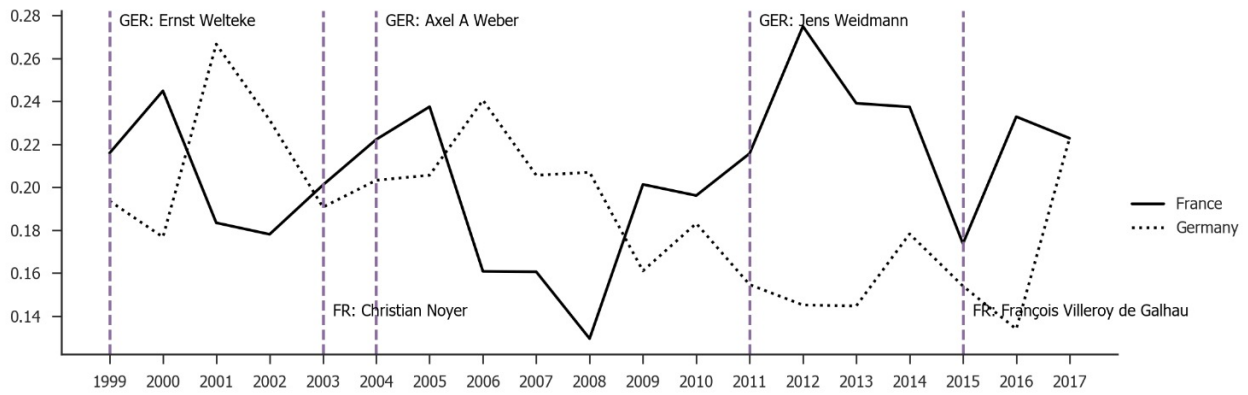


FIGURE 6. Evolution of similar topics (upper) and use of these topics by the central banks (lower)

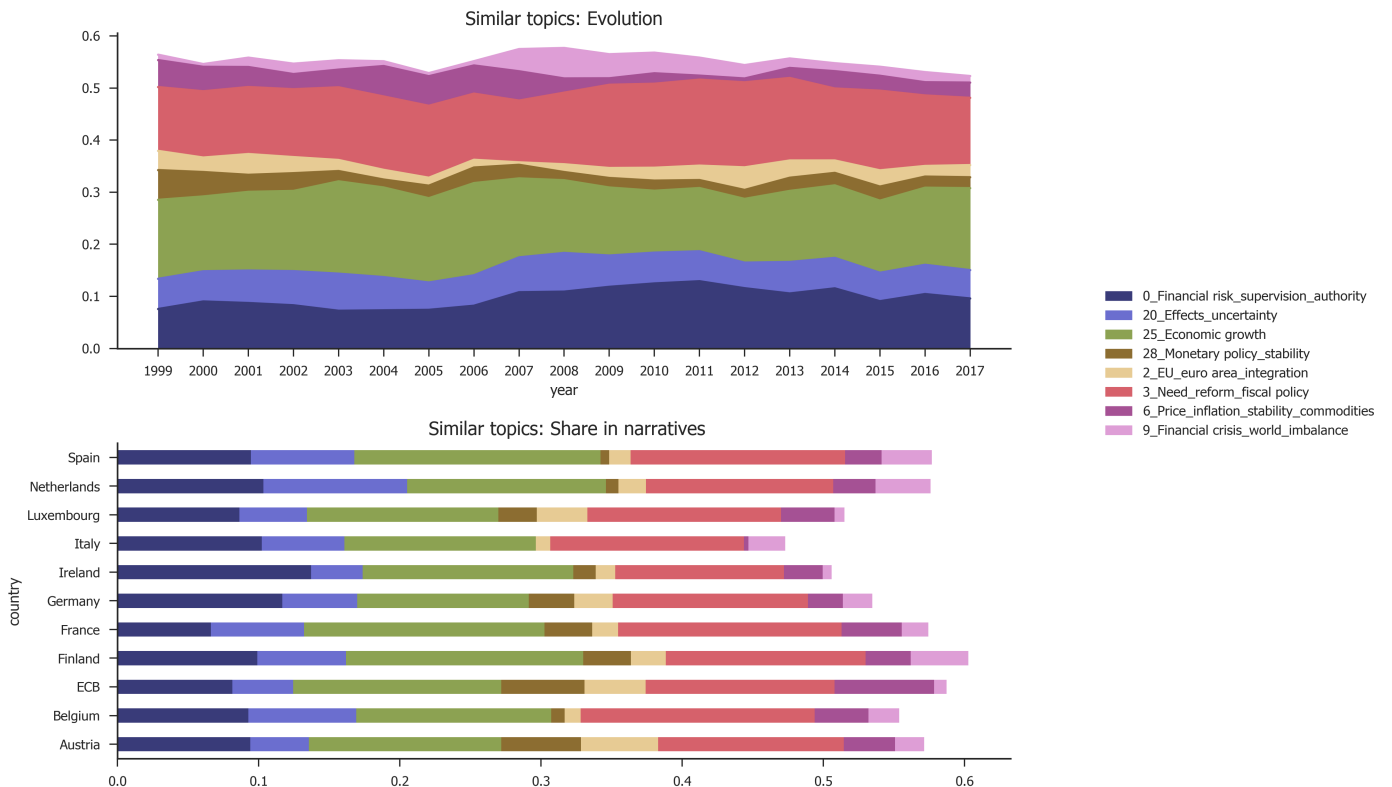
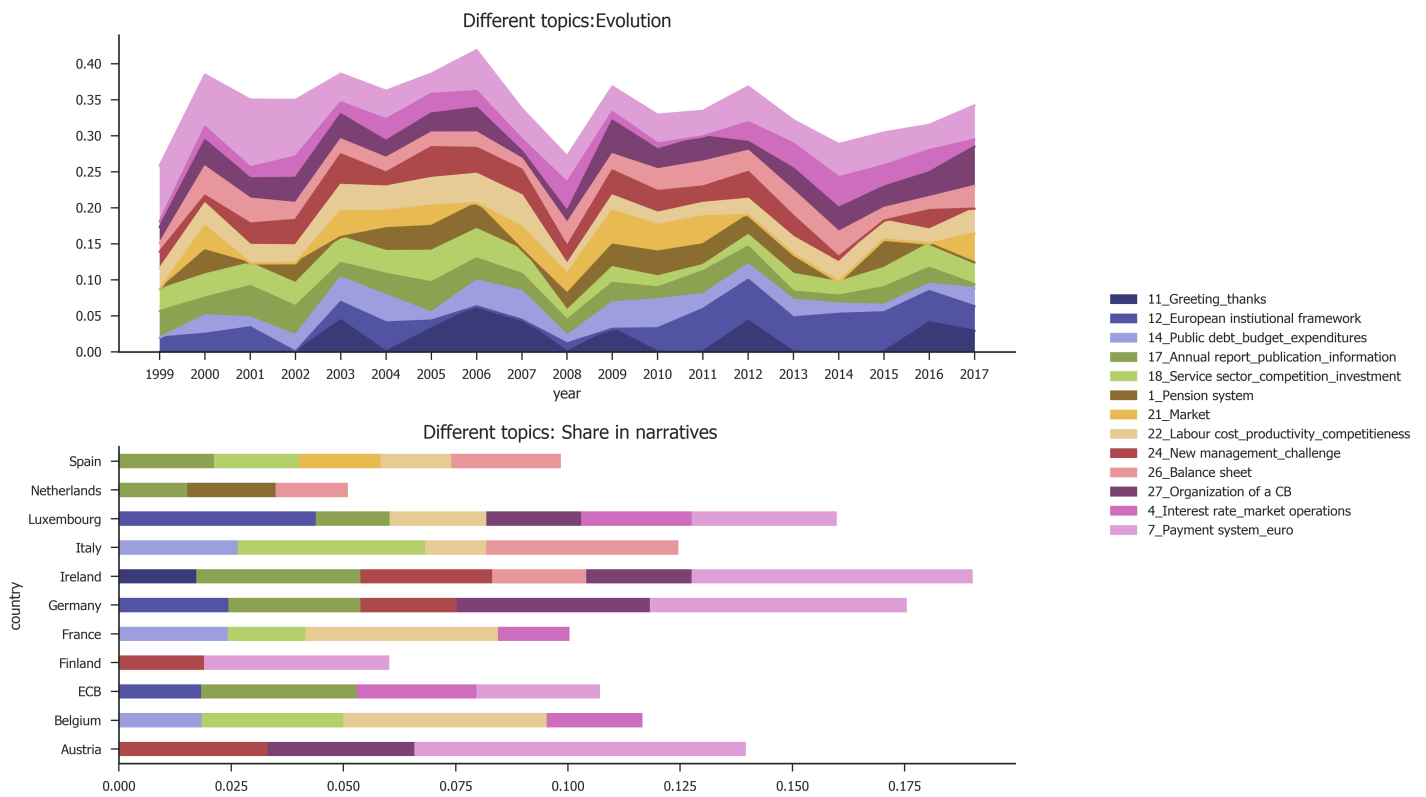


FIGURE 7. Evolution of different topics (upper) and use of these topics by the central banks
(lower)



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APPENDIX. Topics (#30) in the corpus

N	Keywords	Title	Most representative text of the topic	Share of topic in text	Year	ID
0.0	financial, risk, system, banking, institution, supervision, market, authority, new, sector	Financial risk_supervision_authority	Responsibility for the maintenance of the stability of the financial system must not however lie with the public authorities alone. It is primarily a matter for the financial institutions themselves, which must actively promote it, including through appropriate management of the risks inherent in their banking activities. In the new Basle Capital Accord concerning the banks' equity capital, this fundamental responsibility of the decision-making bodies of the financial institutions will be emphasised by a proposal for basing the new capital requirements on the methods that the banks apply for their own risk management	0.7267	2001	2001_belg109
1.0	pension, fund, buffer, system, liability, china, position, would, automatic, consolidate	Pension system	Both the insurance and the pension sector have obviously benefited from the stockmarket recovery of 2003, but with so many pension funds still up against problems, the situation cannot be termed satisfactory. The underlying reason being the long-standing mismatch between pension contributions and rights, major efforts are needed to restore fund positions. After years of insufficiently cost-effective contributions, as well as overly optimistic expectations as to yield, the pension funds now seem to have embarked on the long road to recovery	0.4409	2003	2003_neth89
2.0	european, union, euro, area, single, national, mechanism, member, integration, europe	EU_euro area_integration	Six months ago we witnessed a milestone in European history: the launch of "the euro, our money", in its visible form. European citizens are now able to perceive - and benefit from - the tangible reality of the euro, and the rapid substitution of legacy currencies at the beginning of this year bears witness to the successful launch of the euro banknotes and coins	0.5644	2001	2001_ecb0
3.0	make, must, reform, need, measure, fiscal, take, structural, public, policy	Need_reform_fiscal policy	Some European countries have already made substantial progress with the implementation of the Lisbon programme which, via growth initiatives and structural reforms, aims to make the European Union into a more dynamic and innovation-centred economy with a strong employment potential, while others have recently announced major new plans. It is therefore crucial that Belgium, too, maintains the necessary resolve to complete the reform agenda, which on many fronts will require thorough action	0.6353	2003	2003_belg84
4.0	rate, interest, low, risk, level, market, operation, key, liquidity, refinancing	Interest rate_market operations	In June and September, that remaining margin was exhausted as the Governing Council lowered policy interest rates to the effective lower bound, and introduced a negative interest rate on the ECB's deposit facility. We also announced a series of targeted longer-term refinancing operations (TLTROs) with the intention of supporting bank lending to the real economy	0.6422	2014	2014_ecb27
5.0	trade, export, demand, world, domestic, investment,	Export_trade	Foreign trade was the main driving force behind this pattern of activity. Stimulated by the dynamism of the foreign markets, both within and outside the euro area, and by the strong competitive position of enterprises,	0.4984	2000	2000_belg55

N	Keywords	Title	Most representative text of the topic	Share of topic in text	Year	ID
	foreign, good, behind, share		contributed to both by the containment of domestic costs and by the depreciation of the euro, export volume growth accelerated sharply from the middle of 1999 onwards, peaking at nearly 19 p.c			
6.0	price, inflation, rise, euro, oil, increase, pressure, rate, area, stability	Price_inflation_stability_commodities	As regards price developments, underlying domestic inflationary pressures in the euro area remained contained, reflecting subdued increases in labour compensation and well-anchored inflation expectations. While the appreciation of the euro exchange rate in 2004 contributed to lower inflationary pressures, increases in administered prices, indirect taxes and rises in the oil price visibly affected headline inflation rates. Overall, the annual HICP inflation was 2.1%, unchanged from the previous year	0.6644	2004	2004_ecb1
7.0	central, payment, eurosystem, new, banknote, euro, work, cash, security, launch	Payment system_euro	An important focus of attention for the past year and for this year is the production of euro banknotes and coin which will be introduced on 1 January 2002. All NCBs are charged with the task of supplying a sufficient quantity of euro banknotes and coin to replace their domestic currencies. Production of euro notes began here in April 2000; coin production has been under way since September 1999	0.5653	2000	2000_ire2
8.0	purchase, programme, bond, security, asset, funding, government, issue, end, instrument	Asset purchase programme_instrument	Second, in October 2017 the Governing Council decided to reduce monthly purchases under the asset purchase programme from €60 billion to €30 billion from January 2018. At the same time, it decided to extend the duration of the programme until September 2018, or beyond if necessary	0.3430	2017	2017_lux3
9.0	crisis, financial, economy, market, global, world, emerge, international, imbalance, tension	Financial crisis_world_imbalance	Following the failure of the big American investment bank, Lehman Brothers, in mid September, the financial turmoil suddenly became far more serious and escalated into a genuinely global crisis	0.5266	2008	2008_belg3
10.0	work, insurance, people, age, worker, life, training, number, scheme, young	Work_people_demographics	In Italy in the last thirty years, against a lengthening of more than five years in life expectancy at age 60, the average age at retirement in the private sector is estimated to have risen by about two years to around 61. Working life will have to be extended, partly to guarantee an adequate standard of living to the older people of tomorrow. The countries in Europe with the highest employment rate in the 55-64 age group are also those with the highest youth employment	0.4435	2009	2009_italy68
11.0	would, like, go, hard, forward, thank, failure, beyond, digital, complexity	Greeting_thanks	I would like to thank the Board of Directors for all their valuable input, commitment and support during the past year. I would like to pay a special tribute to Tom Considine and to Friedhelm Danz who both retired from the Board during 2006. They both made a very significant contribution to the work of the organisation. I would like to welcome the two new members, David Doyle and Alan	0.3542	2006	2006_ire9

N	Keywords	Title	Most representative text of the topic	Share of topic in text	Year	ID
			Gray, to the Board, and I look forward to working with 10 them. I would also like to express my sincere appreciation to the Chairman of the Financial Regulator, Brian Patterson, and to its Chief Executive, Patrick Neary, for their continuing co-operation and support			
12.0	european, law, council, national, new, rule, commission, state, member, adopt	European instiutional framework	First of all maintenance of the status quo, with all ecb Governing Council members retaining their voting rights. Secondly, rotation of the voting rights among all members, including the members of the ecb Executive Board, on the basis of equality, while the third option is partial rotation, entailing that not all central bank governors have voting rights all the time	0.5397	2000	2000_neth74
13.0	shock, resilience, survey, employee, observe, vulnerable, lie, datum, statistic, projection	Shock_resilience_observation	Not infrequently, instead of being a source of enrichment the differences have been transmuted into mutual vetoes, the blockage of development	0.2255	2010	2010_italy129
14.0	public, debt, gdp, deficit, government, budget, expenditure, finance, tax, spending	Public debt_budget_exp enditures	Especially in the second half of the nineties, the adjustment of the public finances should have hinged on a more determined reduction in current expenditure, a drive to increase public investment and a decrease in taxes and social security contributions in relation to GDP	0.5810	1999	1999_italy268
15.0	point, percentage, average, almost, end, stand, basis, gap, two, last	Measures	In the last five years investment in machinery and equipment, transport equipment and intangible goods has increased at an average annual rate of 6.1 per cent. Expenditure on intangibles has been especially strong, growing at nearly 10 per cent per year	0.4260	2000	2000_italy239
16.0	united, states, us, exchange, europe, reserve, dollar, japan, currency, rate	International framework	At the end of the nineties high-tech products accounted for about 6 per cent of total manufacturing value added in Italy. The comparable figure was 10 per cent in France, 26 per cent in the United States and 14 per cent in Japan	0.5603	2001	2001_italy129
17.0	report, annual, financial, issue, stress, publish, recommendation, development, present, information	Annual report_publication_information	We give an account of last year's numerous organizational changes in the Bank of Italy's Report on Operations and Activities, which is published today together with the Annual Report	0.5143	2016	2016_italy10
18.0	service, sector, new, competition, investment, product, innovation, firm, business, market	Service sector_competition_investment	The spread of information technology and the drive to increase efficiency through reorganization are leading to a less vertically integrated structure of production	0.5568	2001	2001_italy153

N	Keywords	Title	Most representative text of the topic	Share of topic in text	Year	ID
19.0	resolution, market, fund, company, resource, access, capital, foster, deposit, investor	Resolution_market_company	On the equity markets there has been a fresh increase in stock market capitalisation. This has come about due both to rising prices and a greater number of companies accessing the market. A key development in this area has been the establishment in the main European stock markets of a "new market" for technology or high-growth companies. The reporting, listing and trading rules of this market differ from those prevailing on the traditional markets	0.3380	2000	2000_spain24
20.0	may, effect, could, even, one, however, result, case, time, due	Effects_uncertainty	Dutch budgetary policy The viability of the Zalm norm is being increasingly questioned. If it has indeed outlived its usefulness, it could go the way of all post-war budget norms: the cyclical budget norm, the structural budgetary policy, the 1% policy, the actual deficit norm and – now – the Zalm norm. Curiously, norms often lose their lustre when they really begin to pinch, but that goes for more than just budgetary norms. At first, they are welcomed with open arms, then they are sapped with great ingenuity, and eventually they slide into oblivion. Actually, this is not as strange as it might seem, because the specific features of a certain budget norm usually form a reaction to earlier developments, binding it to a time and a place	0.5455	2000	2000_neth38
21.0	market, contract, consequence, confidence, certain, vulnerability, segment, transmission, serious, problem	Market	Against this background of a worldwide, simultaneous slowdown in growth, the United States was hit on 11 September 2001 by a terrorist act of unprecedented proportions. Initially, the victims and their families were obviously the main concern, somewhat later – when the direct effects on the payments systems and the financial markets were under control – thoughts turned to the consequences for the world economy. The shock to confidence and the immediate adverse impact on certain sectors (air travel, tourism, financial institutions) could have had a spiralling effect on the simultaneous economic slowdown, exacerbating the downturn or seriously delaying recovery	0.3554	2001	2001_neth7
22.0	labour, cost, employment, market, wage, job, productivity, competitiveness, unemployment, increase	Labour cost_productivity_competitiveness	On the basis of the data currently available, nominal collectively agreed hourly wages in enterprises are found to have risen in 2001, on average, by about 3.5 p.c., 2.6 p.c. of this having been due to wage indexation and 0.9 p.c. to real wage increases. The rise in the average hourly wage as a result of other factors, including in particular "wage drift", is estimated at 0.7 p.c. Further reductions in employers' social security contributions helped to reduce average hourly labour costs by about 0.6 p.c. All in all, hourly labour costs in enterprises appear to have risen last year by 3.7 p.c., which is actually somewhat more than in the year 2000, when economic activity was much stronger, for which a rise of 3.5 p.c. was recorded	0.5485	2001	2001_belg91
23.0	debt, credit, financing, loan, market, firm, sovereign,	Liquidity_financing	In the coming weeks the Bank of Italy will adopt measures to improve banks' liquidity further, thereby facilitating lending to small and medium-sized firms. The range of loans eligible as collateral for Eurosystem refinancing will	0.3580	2013	2013_italy81

N	Keywords	Title	Most representative text of the topic	Share of topic in text	Year	ID
	household, mortgage, liquidity		be extended			
24.0	challenge, change, resource, face, skill, new, structure, staff, education, office	New management_challenge	The number of branches has passed from 97 to 58. We now have a more efficient network, better able to respond to the needs of the local communities	0.5127	2010	2010_italy3
25.0	growth, economy, area, economic, euro, high, recovery, continue, since, increase	Economic growth	Turning now to more recent economic developments, the economic recovery which started in the second half of 2003 has continued in 2004. In terms of year—on-year growth rates, we reached 2% in the second quarter of this year. Quarterly growth rates since mid-2003 have been in the order of 0.4% to 0.7%. By and large, output growth in the last 12 months was close to present estimates of the potential growth rate in the euro area	0.7543	2003	2003_ecb5
26.0	asset, capital, balance, sheet, increase, income, lending, investment, profit, ratio	Balance sheet	These developments do not appear to have depressed the credit institutions' profits, which increased appreciably in 2000. This marked improvement is not, however, due either to cuts in operating costs, which have on the contrary gone on increasing at a fairly rapid rate, or to an expansion in their main source of income, because the flattening of the yield curve has reduced the earnings obtained from maturity transformation operations. The rise in profits is chiefly attributable to non-recurrent factors, such as the capital gains on realisations of shareholdings, a reduction in the exceptional expenditures on restructuring and a further decrease in provisions and value corrections	0.5320	2000	2000_belg116
27.0	staff, member, board, governance, work, opportunity, strict, compliance, executive, administrative	Organization of a CB	In 2006 the ECB introduced general principles for mobility, which encourage members of staff to change position after every five years of service. Internal mobility represents an opportunity for staff to broaden their expertise and a means to increase synergies across business areas. In 2006 more than 80 members of staff moved internally to other positions	0.5498	2006	2006_ecb49
28.0	policy, monetary, stability, economic, council, central, governing, stance, eurosystem, decision	Monetary policy_stability	I am honoured to submit to you, as required by law, the report on the operations of the Banque de France, monetary policy and its outlook. As is the custom, I also submit herewith the Monetary Policy Council's analysis of developments over the past year	0.5238	2004	2004_fran0

N	Keywords	Title	Most representative text of the topic	Share of topic in text	Year	ID
29.0	billion, amount, million, net, transfer, gross, expense, weigh, sepa, merger	Numerical values	The value of the 1,451 operations whose terms have been disclosed amounted to e430 billion; the average value of the operations carried out by Italian intermediaries was e860 million	0.4398	1999	1999_italy107

WHAT'S IN A ROLE?

INTENTION FOR CHANGE IN THE CONTEXT OF THE ECONOMIC AND MONETARY UNION

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The paper explores work role transitions to build an account of the microdynamics of the Economic and Monetary Union (EMU) development into the banking union. We address the EMU central role, President of the European Central Bank (ECB), and study its enactment by two individuals. Combining computational and traditional methods of text analysis, we compare the language of the role enactments and juxtapose variations in it with previous role identities of the second President. We find three regular linguistic shifts in the second role enactment: blending price stability and financial stability, advancing market-as-agent rationale and redefining sovereignty. We illustrate how the individual translates the shifts in action, promoting two policies that orient the EMU states towards deeper integration. Our study directs attention to the role dynamics, that explain both cognitive foundations and cognitive effects of individual reflexivity, and show intentionality as an embedded phenomenon that links two institutional contexts.

Keywords: microfoundations, role, role enactment, role transitions, intention, EMU

'The institution, with its assemblage of 'programmed' actions, is like the unwritten libretto of a drama. The realization of the drama depends upon the reiterated performances of its prescribed roles by living actors' (Berger & Luckmann, 1991/1966, p. 92)

'I've been a member of the Governing Council for six years, so certainly the new part of this job [President of the ECB] is the inner machinery of the ECB. But the monetary policy decisions and the related decisions were part of my knowledge even before' (Draghi, 2012a; 2D)

The Economic and Monetary Union of the European Union (EMU) embodied the integrative intent of the European countries. The agreement to pool monetary policies under the management of an independent supranational central bank (*Treaty on European Union*, 1992) reflected the facet of sovereignty [monetary sovereignty (Mundell, 2002)], that the states were willing to cede to the European level. Twenty years later the EMU members agree to advance their arrangements – integrate deeper in the banking union and delegate the banking supervisory function to the European Central Bank (ECB). These developments come with further limitations of sovereignty [banking sovereignty], however, they are perceived as a natural course of the EMU evolution and called *genuine* (Van Rompuy, 2012). Economists generally agree that these dynamics are catalyzed by the global financial crisis (Glöckler, Lindner, & Salines, 2017; Caporaso & Kim, 2016). With that, the 'micro motor' (Powell & Colyvas, 2008, p. 277) of the EMU transformation, that accounts for individual agency in the macro-level dynamics, remains unexplored. We address this episode of change and examine the microfoundations of the EMU development into the banking union.

Individual ability to affect institutions is embedded in a social system (Seo & Creed, 2002; Garud, Hardy, & Maguire, 2007) and reflects previous social positions (Battilana, 2006; Battilana & Casciaro, 2012) or acquired social skills (Fligstein, 1997). Different institutional embeddedness configures actors of diverse nature (Meyer, 2010; Abdelnour, Hasselbladh, & Kallinikos, 2017), who have distinct capabilities for reflexivity (Mutch, 2007) and translate it into distinct institutional dynamics (Suddaby, Viale, & Gendron, 2016).

Establishing a cognitive link between the macro- and micro- levels of analysis (Suddaby et al., 2016), individual reflexivity at the same time is defined as a '*generalized awareness of the constraints and opportunities*' (p.242; emphasis ours) and categorized as high or low. Thus, a more detailed understanding of the cognition of a reflexive individual that results in a particular action revealing actor's disposition for a certain direction of institutional development (Cardinale, 2019) is still on demand.

We seek to give a more detailed account of reflexivity and intentionality exploring individual embeddedness in institutional context *qua roles* (Kallinikos, 2003). Roles represent institutions (Berger & Luckmann, 1991/1966) and are characterized by a prescribed script and its negotiated individual enactment (Ashforth, 2001), that mediate macro-micro level relations (Jepperson & Meyer, 2011). Focus on role transitions (Ashforth, 2001; Nicholson, 1984) allows to see previous roles as a resource (Baker & Faulkner, 1991), that shapes individual possibilities for action (Callero, 1994, p. 232) and affects consequent roles, altering this way institutional templates (Powell & Colyvas, 2008; Johnson, Smith, & Codling, 2000). Thus, we ask *How does an individual enact a new role affected by the previous ones?* and *What effects does this role transition have on the course of institutional development?*

Exploring the case of the EMU development in the banking union we address the key role of this environment, President of the ECB. We analyze a role-related communication of two individuals, who play the role in the period of change, and compare the language of their enactments. Instrumentalizing our dynamic approach to roles, we include the roles of the second actor before the ECB office and check for their effects on the sensemaking process in a new role (Cornelissen, 2012).

We find three recurrent shifts in the second enactment of the role of the ECB President: blending price stability and financial stability, advancing market-as-agent rationale

and redefining sovereignty. We illustrate how the shifts reveal an intention for change of the individual, who advances two policies that orient the EMU towards deeper integration.

We present our study in the following way. First, we provide a theoretical rationale to explore role dynamics for understanding the microfoundations of institutions. Second, we describe the case, present the data and explain the methodology applied in the analysis. Finally, we report findings, discuss them and summarize a potential contribution of the study.

THEORETICAL BACKGROUND

Microfoundations of institutions. Since a sociological turn (Meyer & Rowan, 1977) research on institutions requires a careful navigation between Scylla and Charybdis of agency and structure. The microfoundations of institutions (Powell & Colyvas, 2008), mapping recursive influences between levels of institutional analysis (Jepperson & Meyer, 2011; Harmon, Haack, & Roulet, 2019), lay as well a waterway to pass the ‘unproductive’ (Hirsch & Lounsbury, 1997) ontological divide and embrace the arguments, inherited with the sociological turn (Cardinale, 2019).

First, to overcome the categorization of structure as static and agency as dynamic. Inability to explain the change of social structures raised the earliest call for agency in institutional theory (DiMaggio, 1988). At the same time, institutions are rendered dynamic by carriers of institutional logics (Scott, 2003; Thornton & Ocasio, 2008), who are unarmed of apparent agentic traits. Thus, the nature of agency with respect to structure (Mutch, 2007; Meyer, 2010) comes to the forefront of an inquiry into institutional dynamics.

Second, to overcome a bias in understanding intentionality, as absent and leading to conformity in the case of structure, and consistently present in agentic explanations. The trend is imprinted in the language of institutional studies, where structure is described in passive forms and words that have no semantic component of intentionality [as carriers],

while agency connotes with purposefulness at both individual (Battilana, Leca, & Boxenbaum, 2009) and collective levels (Lawrence & Suddaby, 2006). Essentially, the preference of the word 'actor' in the last decades emphasizes a deliberate nature of actions (Meyer, 2010, p. 3).

Embracing these arguments of the sociological tradition, the microfoundations of institutions need to attribute institutional dynamism to both agency and structure, and explain an agentic intention with respect to structure. At the core - to equilibrate the research question, internalized in studies of institutional dynamics - *how actors change institutions* (Battilana et al., 2009), with an inquiry into *why structural change is possible* (Sewell, 1992).

Embedded actors and reflexivity. The dynamism of structure becomes evident, if institutions are understood as fractured (Sewell, 1992), as a patchwork rather than a monolithic construction (Abdelnour et al., 2017). Exposed to institutional fractions and living through this experience, individuals become embedded in institutional fabric (Seo & Creed, 2002; Garud et al., 2007) and take on certain logics (Scott, 2003). Their particular embeddedness, reflected in a social position (Battilana, 2006; Battilana & Casciaro, 2012) or acquired social skills (Fligstein, 1997), enables them with different capacities for action. As a result, actors of different nature emerge (Meyer, 2010; Abdelnour et al., 2017).

The intention of embedded actors to act comes from their ability for reflexivity (Emirbayer & Mische, 1998; Mutch, 2007). Understanding both social position and social skills, Suddaby et al.(2016) connect individual reflexivity and actions, establishing cognitive links between micro- and macro- levels of analysis. With that, reflexivity comes to be defined as a '*generalized awareness* of the constraints and opportunities' (Suddaby, Viale, & Gendron, 2016, p. 242; emphasis ours) and is differentiated by its degree. Thus, while a connection between the nature of actors, degree of their reflexivity and ability for action becomes established, the cognitive dynamics, that lead to a *particular* action and enable

particular institutional dynamics, remain unexplored. Namely, a cognitive transmission from a social system to agent and then back to a social system (Jepperson & Meyer, 2011), that shows how a particular set of skills acquired by an actor is translated in action, directing institutional development (Cardinale, 2019).

Roles. Individuals are involved in institutional context *qua roles rather than qua persons* (Kallinikos, 2003). The argument allows to connect levels of sociological analysis (Jepperson & Meyer, 2011) and acknowledges roles as mediators between ‘the macroscopic universes of meaning objectivated in a society and the ways by which these universes are subjectively real to individuals’ (Berger & Luckmann, 1991/1966, p. 96).

Roles impose distinct typified forms of agency on an individual (Berger & Luckmann, 1991/1966; Hasselbladh & Kallinikos, 2000). Enacting a role, an individual internalizes the ‘goals, values, beliefs, norms, interaction styles and time horizons’ associated with it and defines *self-in-role* (Ashforth, 2001, p. 6). By the means of a role an individual is exposed to an institutional context [‘fraction’ in Sewell (1992)], where the specific ‘socially objectivated’ knowledge relevant for the role enactment is accumulated (Berger & Luckmann, 1991/1966, p. 94). Internalized, this knowledge becomes a part of an ‘individual structure’ (Cardinale, 2019).

At the same time, a micro perspective on a role treats it as a negotiation between the ‘*meaning* imputed to a given position and the way in which an individual *enacts* a position’ (Ashforth, 2001, p. 4; emphasis in original). This translates in the ability of an individual to exercise agency and influence an imposed role, that is expressed in the variance of the role enactments (Callero, 1994).

Individual role dynamics mediate the relationships of change and stability, affecting both individuals and their organizations (Nicholson, 1984; Ashforth, 2001). The previous roles of an individual constitute a resource (Baker & Faulkner, 1991), a cognitive repository,

that shapes his/her future actions (Callero, 1994). Individuals ‘can act on the social world by acting on their knowledge of this world’ (Bourdieu, 2009, p. 127), thus, previous roles affect the resulting action. Transitioning from one role to another, an individual connects two institutional contexts, i.e. knowledge systems (Berger & Luckmann, 1991/1966) and creates a cognitive link between them. Analyzing individual roles in dynamics, we understand reflexivity in more depth and recognize how previous embeddedness of an individual transmits to another institutional context, reflected in a *particular* action s/he exercises. This way we explain the recursive cognitive influences between the macro- and micro- levels of institutional analysis (Powell & Colyvas, 2008).

RESEARCH DESIGN

Exploring the effects of individual role transitions on institutional development, we observe the context, in which initial institutional arrangements has been altered, the Economic and Monetary Union of the European Union (EMU). We address the microdynamics that have led the countries to integrate deeper and establish a fully-fledged banking union, breaking ‘the vicious circle between banks and sovereigns’ (*Euro area summit statement*, 2012) The transformation is regarded to have a fundamental impact on the development of the environment (Krampf, 2014), and is framed as a step towards a *genuine* EMU (Van Rompuy, 2012; emphasis is ours).

The decision to integrate into the banking union was taken at the Euro summit in June 2012, and the unanimity of the member states was driven by the sovereign debt crisis (*Euro area summit statement*, 2012; Glöckler et al., 2017; Caporaso & Kim, 2016). The institutional realization of the banking union started in October 2013, when its first pillar, the Single Supervisory Mechanism (SSM), was established. To understand the EMU developments we start observations since the outbreak of the European debt crisis in October 2009, when the

Greek long-term interest rate soared, and finish, when these events had institutional effects in form of the SSM. Focusing on the microdynamics in this period, we artificially isolate the environment from possible exogenous influences and consider the background of the analysis as invariant.

The EMU is institutionally defined and guided by the ECB (Dyson & Marcussen, 2009). The latter has played an important role in the EMU transformation, taking up the supervisory function [decided at the European Council of October 2012] and ‘delinking sovereigns and banks’¹⁵. The ECB is headed by a president, who serves an eight-year term. This role is delegative, and the President behaves as a spokesman of the ECB Governing Council, the policymaking body of the EMU. The Council consists of the governors of the national central banks that adopted the euro as a single currency [19 at the moment of writing] and six members of the ECB Executive Board [including the President, a top executive]. All the members meet twice a month to discuss current economic situation and every six weeks make monetary policy decisions in consensus. The deliberations of the meetings are not public¹⁶, thus the ECB President, who provides grounds for the Council’s decisions, is a key figure for understanding the course of the EMU development.

In the period of analysis two individuals enacted the role of the ECB President, Jean-Claude Trichet and Mario Draghi, sequentially. For consistency we define equal periods for them in office – two years around the leadership switch on November 1, 2011. Grasping effects of individual sensemaking on the role (Cornelissen, 2012) we explore the *variation* in its sequential enactments, thus the novelty brought by the second individual (Figure 1).

Insert Figure 1 about here

15 Yves Mersch, Member of the Executive Board of the ECB, 24.04.14

16 for the period of analysis; they are made public only since January 2015

The main rationale of our research is to connect institutional development and previous institutional embeddedness of an individual addressing role transitions. Thus, we incorporate in the inquiry other roles of the second individual that fit the period of analysis (Table 1).

Insert Table 1 about here

Prior to the ECB office Mario Draghi served as a governor of the Bank of Italy (BI) and a chairman of the Financial Stability Board (FSB). The BI is a part of the EMU, thus as a head of the national central bank, Mario Draghi has been a member of the ECB Governing Council and participated in the consensual decision-making on the EMU policies. Therefore, we expect that the view on the institutional development internalized in this role is mostly consistent with a stance of the ECB Governing Council. The FSB instead has a different stance on the economic system. Evolving from the Financial Stability Forum (FSF), a discussion platform of the G7 ministers, the FSB, as a more institutionalized body, was established on April 2, 2009, fueled by the real-time threats to the financial system that required the awareness of the global community. In fact, the FSB was endorsed by the members of the G20¹⁷. The FSB aims to ‘promote financial stability by developing strong regulatory, supervisory and other policies’ (Financial Stability Board Charter, 2009), and Mario Draghi becomes its first Chairman [Chairman of the FSF since 2006]. Grasping the effects of institutional embeddedness of individuals ‘qua roles’ (Kallinikos, 2003), we look into the *similarity* in enactments of sequential roles by the second actor (Figure 2).

Insert Figure 2 about here

17 The actual number of the national states is even higher, as apart of 3 European countries (France, Germany and Italy) that are members of both G7 and G20, G20 includes the EU as an entity, thus, many nation-states

Combining actors and roles in one framework, we dissect the area we address in analysis (Figure 3), that links *variations* in the enactment of the role of the ECB President by the second individual, Mario Draghi, to *similarities* in the enactments of his sequential roles. This link shows the influence of the previous cognition on the new role and reveals the intention of the individual for a particular institutional development.

Insert Figure 3 about here

Exploring the macro-level dynamics, we analyze the language that institutional actors use at the micro-level (Phillips, Lawrence, & Hardy, 2004). We examine discourse of two individuals, enacting different roles. In the logic of Figure 3 we look for linguistic variations in the enactments of the role of the ECB President and linguistic similarities in two sequential roles of one individual.

Data. We build a corpus that contains the communication of two individuals enacting different roles. First, making a query to the central bankers' speeches database of the Bank for International Settlements (BIS), we collect their speeches that fit the period of analysis. Second, we complete the data with speeches from the ECB, BI and FSB websites, based on incumbency periods of the individuals. We exclude from the database the communication of the ECB President after meetings of the ECB Governing Council, as these announcements are standardized and mostly focus on the indicators, relevant for the execution of the monetary policy. The resulting corpus totals 209 documents (Table 2).

Insert Table 2 about here

We split the data in two subsets [speeches and interviews] due to the difference in the texts' narrative styles. We consider that at the moment of a rhetorical act¹⁸ the content and

18 thus, we disregard a possible multiple authorship of texts, e.g. their preparation by speechwriter(s)

narrative of a speech is decided by one individual, while an interview is a dialogue, so the coherence and resulting meaning are co-created by the interviewer and interviewee. Accounting for these distinctions, we treat subsets differently in the analysis and apply methods of computational linguistics to the speeches and traditional text analysis to the interviews.

It is important to explain as well how we address a disproportionality in the number of the interviews with the ECB Presidents (Table 2). To make these subsets comparable we take as a reference the number of interviews with Mario Draghi at the ECB office and select an equal number of interviews with Jean-Claude Trichet in the same role. We chose them without addressing the content, however, we consider the dates of the interviews in order to cover the key institutional events in the period of the Trichet's governance. This way the interviews of the ECB Presidents correspond to the key moments of the EMU evolution (Figure 4).

Insert Figure 4 about here

Analysis. In the study we inquire into the effects of individual role transitions on institutional development. Understanding this influence, we explore linguistic features of roles (Phillips et al., 2004) and focus on language variation in enactments of the same role. Such variation constitutes a change of an institutionalized template, represented by a role (Berger & Luckmann, 1991/1966), and triggers institutional dynamics (Johnson et al., 2000).

Roles come with typified vocabulary (Berger & Luckmann, 1991/1966; Loewenstein, 2014), which is especially stable in highly normative environments such as the banking. In this context linguistic variation at the lexical level [influx of new words] is often slow and observable only in a long run (Moretti & Pestre, 2015). In shorter periods [as ours] linguistic variation can be traced at the syntactic and semantic levels, accounting for a variation in

words use. To reach these levels we develop a methodology that combines computational and traditional text analysis (Figure 5).

Insert Figure 5 about here

First, using the *subsets of speeches*, we detect keywords and visualize their relation. For each role enactment we define 50 keywords based on the frequency and co-occurrence (Matsuo & Ishizuka, 2004; algorithm implementation in Joglekar, 2015). Then on each subset we build a words embeddings model (Mikolov, Chen, Corrado, & Dean, 2013), that maps semantic connections of words in a text. Lastly, we visualize connections between the keywords relying on the models [see Appendix]. The visualizations give a general idea on similarities and differences in the vocabularies of the roles and their enactments.

Second, we focus on the keywords use in the enactments, inquiring in their textual embeddedness, i.e. semantic connections with all vocabulary of each role¹⁹. To increase the robustness of our interpretations we mix methods and data subsets - we apply traditional text analysis to the *subset of interviews* and computational one to the *subset of speeches*. First, taking keywords as initial codes, we explore the context of their use in the *interviews*. We compare the role enactments following the flow of Figures 1 and 2, note regularly occurring variations and similarities in the keywords use and infer generalizable patterns in the logic of Figure 3. Second, we check if the emerged inferences are confirmed in the previously built words embeddings models. For the selected keywords we map their semantic connections (examples are Figures 7 to 9) and compare keywords use in three visualizations.

Further we describe the method of words embeddings in more depth and present a more detailed description of the analytical steps.

¹⁹ not just the keywords among themselves as in the previous step

Words embeddings²⁰. The collected texts in the -pdf format are transformed for computational treatment using Poppler library [*pdftocairo* module to remove the running titles up and down the pages and *pdftotext* module to convert the files to -txt format]. Python programming language is employed to build an algorithm, using the following libraries – *NLTK*, *TreeTagger*, *genism* and *PyGraphviz*. At the preprocessing stage the texts are splitted in sentences, words in the sentences are lowercased and lemmatized, stop words are removed with a *sklearn* English stopword list. Next, we build words embeddings models for each role enactment (Mikolov et al., 2013) with a *word2vec* module of the *genism* library.

Words embeddings model aims to capture the meaning attributed to words in a text collection. The main assumption of the method is that words are semantically defined by their surroundings in a sentence – the way words are assembled in a sentence in terms of occurrence, frequency and closeness constructs their meaning. As such, the connotations of words are defined by their use in a particular text, i.e. as embedded in it. In computational terms each word is represented as a multi-dimensional vector, where each dimension contains an instance of the meaning judged from the neighboring words. Words embeddings model thus accumulates the totality of meaning instances, and each word can be represented through this pool of meanings. This makes possible the comparability of words in a text as closely or distantly related.

The method is particularly suitable for our inquiry, as it allows to address the semantic variation of a stable vocabulary, caused by differences in arrangements of words in a sentence. Applied to our research question, it may show the variations in individual role enactments given that the vocabulary of a role is settled.

Step1. Keywords detection and visualization. First, we understand the vocabulary of roles and enactments, detecting the keywords of each subset of speeches and visualizing their

²⁰ applied only to the subset of speeches

relations. We apply computational method of text analysis to this data due to its large size. Besides, a speech is given by one individual, who, performing a rhetorical act²¹, constructs its meaning. Thus, it can be analyzed as a whole. In comparison, an interview is a dialogue, thus the meaning system attributed to each participant have to be carefully dissected, that hinders the computational treatment.

Following (Matsuo & Ishizuka, 2004) [implementation by (Joglekar, 2015)], we extract the keywords of each role enactment, Trichet as the ECB President, Draghi as the ECB President and Draghi as the BI Governor and FSB Chairman. We do not distinguish roles in the latter, as in that period Mario Draghi was institutionally defined by both roles – titles of the speeches have reference to both positions, and their distinction for analysis is impossible. Therefore, this combined enactment reflects his roles prior to the ECB office, with an awareness of the sovereign debt crisis [due to our choice of the starting date of analysis].

To *detect* the keywords we define 400 most frequent words, generate a co-occurrences matrix between them and, taking the highest frequency and co-occurrence as a reference, get 50 most important words for each subset of speeches. The number of words in the first case was determined in trials – it occurred to be optimal and its change did not affect significantly the result, while the second number was chosen in order not to clutter the following visualizations.

To *visualize* the keywords relations for each of them we select two semantically closest keywords, as defined by a respective words embeddings model, and present it as a network, using the *PyGraphviz* library. In the resulting visualizations we mark differences and similarities in keywords occurrence and connectedness (Appendix). Following the rationale of Figures 1 and 2, we observe the keywords of Mario Draghi that *vary* from the

21 in this logic we disregard the possibility of multiple authorship, e.g. the texts are created by a speechwriter

ones of Jean-Claude Trichet in the enactment of the role of the ECB President, and those that are *similar* to his previous roles.

Step 2. Keywords use. We proceed tackling the keywords use in the texts. This step is crucial for understanding linguistic variation in the role enactments. As lexical variation [i.e. influx of new words] in a role occurs slowly, we aim to catch the semantic variation, addressing the words use, that reflects distinct focal points that individuals make in utterances to convey information. Increasing the robustness of our interpretations we mix methods and data subsets.

Text analysis. We manually code the subsets of interviews. The manual approach is motivated by the size of the corpus [too little for good computational predictions] and by the nature of the texts in it, that assumes the presence of two speakers, who co-create the meaning of each interview in interaction. We believe, that the best way to dissect the part attributed to interviewees [individuals in roles] is by reading and manual coding.

Thus, we use the keywords as initial codes and contextualize their use in each role enactment. With that, we do not treat the detected keywords as an exhaustive list - reading the interviews, we complement it with other frequent words that emerge from the texts. In the coding we focus on the surroundings of the keywords in sentences and phrases, addressing this way their contextualized meaning. Next, following the logic of Figures 1 to 3, we compare our observations and generalize them detecting the most regular shifts in the keywords use.

Words embeddings. To confirm the robustness of our generalizations, we check if the observed shifts hold in the words embeddings models. We visualize the context of selected keywords, identifying in the models their 10 semantically closest words and 2 of these 10 [the number of words is chosen in trials to provide a perceptible visualization]. Relying on the context captured by the visualizations we confirm or reject the observed shifts.

FINDINGS

We find three regular linguistic shifts in the second enactment of the role of the ECB President that are explained by the previous role identities of the individual (Figure 6). In this section we describe the shifts in details and show their usage by the individual on the examples of two implemented policies, the Fiscal Compact and the Outright Monetary Transactions.

Linguistic shifts in the role of the ECB President

Insert Figure 6 about here

Blending price stability and financial stability. The second enactment of the role of the ECB President is characterized by systematic references to financial stability along with the institutionally mandated price stability.

The EMU framework reflects the consensus of the European countries to integrate monetary policies and take *price stability* in the mid- and long-term as a guiding principle. The codified agreement (*Treaty on European Union*, 1992: Art. 105) explicitly states that the ECB executing the common monetary policy should be guided by the mandated objective (Art. 105). Both presidents of the ECB incessantly affirm the primacy of the mandate and its significance in the policymaking of the ECB Governing Council. As such, price stability becomes a taken-for-granted component of the role (Figure 7).

Insert Figure 7 about here

With time small adjustments in language occur when the mandate is evoked in discourse, and it extends integrating the notion of *financial stability*. While the first role incumbent, Jean-Claude Trichet, combines two aspects of stability rarely, Mario Draghi regularly blends them together. Providing the rationale for the ECB actions, he connects the

mandated objective of price stability with financial stability through ‘phrasal conjunctions’ (Werner & Cornelissen, 2014). It is important to mention though that despite the component of financial stability is used more systematically in the discourse of Mario Draghi, it remains auxiliary (Table 3).

Insert Table 3 about here

Financial stability as a relevant issue for the EMU enters in the discourse of the ECB President, when the effects of the financial crisis destabilize the euro area. Jean-Claude Trichet acknowledges that financial stability is a necessary component of the economic system (Trichet, 2011b; T5). With that, it is not an aspect that the ECB needs to *act upon*, rather it is perceived as a side-effect of maintaining price stability: ‘...to deliver price stability in the medium and long-term and, by doing that, contributing to the financial stability in the long run’ (Trichet, 2010a; T3). Jean-Claude Trichet has a clear understanding of the tasks’ distinction within the EMU - while the ECB is to deliver price stability, building a monetary component of the EMU, the sovereigns are to focus on financial stability, the Union’s economic component. As such, ‘financial stability is the responsibility of governments’ (Trichet, 2011b; T5). Thus, the attention of the ECB to financial stability is temporary and its exigent intervention with non-standard measures to cope with financial instability is occasional, necessary ‘only because for a long time governments did not take their responsibility for ensuring financial stability seriously’ (Trichet, 2011b; T5).

Mario Draghi instead systematically connects price stability and financial stability in the discourse (Table 3). His experience in the previous roles at the Bank of Italy (BI) [as well a member of the ECB Governing Council] and at the Financial Stability Board (FSB) suggests him a particular view on the economic system. With the first role he internalizes a

regard on price stability as a guiding principle of the policy-making, unquestionable for the members of the ECB Governing Council: *'all members of the Governing Council have taken to heart Germany's stability culture'* (Draghi, 2012b; D4). At the same time the FSB membership exposed him to the institutional context, where financial stability is a core rationale (Financial Stability Board Charter, 2009). In the logic of this role financial stability is an umbrella term, where price stability is one of its subordinate components: *'price stability, budgetary discipline and economic growth are the three pillars of financial stability'* (Draghi, 2010a; DIF1). Therefore, as a Chairman of the FSB Mario Draghi internalizes a stance on financial stability as the main focus of governance attention.

Two role identities of Mario Draghi internalized before the ECB office allow him to blend two aspects of stability in the discourse, cognitively accepting the importance of both [that was not possible for Jean-Claude Trichet, who rigidly distinguished responsibilities of the ECB and the states]. This way financial stability is discursively infused into the ECB mandate as a legitimate component to *act upon*. The most eloquent moment of such blending occurs at the Euro Summit in June 2012, when the EU countries decide to advance their integration further and form the banking union. Mario Draghi extends the ECB mission and, aiming to defend the single currency, intends to go beyond the current mandate if financial stability is in danger: *'In the extraordinary conditions that we are experiencing, it is necessary to see the ECB take a stand **beyond monetary policy** for matters that cannot be addressed by monetary policy, such as high public deficits, a lack of competitiveness or unsustainable imbalances, especially where **financial stability** may be at risk. Safeguarding the euro is part of our mandate'* (Draghi, 2012c; D5; *emphasis ours*). As such, the ECB mandate is extended substantially. The primary focus on price stability is not challenged, yet at the range of the ECB's legitimized activities is adjusted discursively.

*‘The designation of the Minister of the Economy always constitutes an immediate **message of confidence or alarm for economic and financial players.** For that Ministry, I asked for the indication of an authoritative political **representative of the majority, coherent with the agenda of the political alliance’***
[Italian President rejecting to appoint a candidate (Mattarella, 2018; emphasis ours)]

Advent of the market-as-agent rationale. The second salient shift in the enactment of the role of the ECB President regards the perception of the markets - while Jean-Claude Trichet introduces their importance to the EMU, Mario Draghi emphasizes their agentic capacity that needs to be projected when the members take decisions.

The reference to the logic of the market economy is not new for the EMU. The integrative intent of the countries in the first place was pragmatically oriented and aimed at creation of a single European market, a bigger and more solid player in the global arena. With emergence of the global financial crisis, focus on internal benefits of the Single market shifts towards the external dimension. Jean-Claude Trichet takes in account this change and emphasizes that both the EMU and the countries need to face the reactions of markets and look to retain their confidence (Trichet, 2011b; T5).

Mario Draghi goes further and underlines agentic ability of the markets. Personifying them in the discourse, he suggests what markets ‘know’, ‘want’ and *how* they need to be approached. This perspective advances the rationale of the market-as-agent, who has its say in the EMU decision-making as much as the member-states. Thus, the sovereigns are to make decisions not only vis-à-vis each other’s preferences, but with the view of the market as well. In the discourse Mario Draghi regularly connects words ‘market’ and ‘country’ (Figure 8).

Insert Figure 8 about here

Featuring the agentic component of the global markets, Mario Draghi operationalizes his previous experience at the FSB. Personification of the markets is a characteristic of his discourse in the role of the FSB Chairman – he explains their ‘nervous’ behavior due to the

worsened financial situation, and their preference to ‘see clearly’, rather than being ‘trapped’ (Draghi, 2010a; DIF1). As such, he goes beyond the suggestions to keep markets confident and explains *how* to deal with them: ‘*If communication is crisp, if policy action is firm and if the commitment is perceived as persistent, markets are certainly not going to be hostile to that*’ (Draghi, 2010b; DIF2). This pragmatic stance on markets transmits to the role of the ECB President. Mario Draghi guides the EMU emphasizing that ‘*one has to understand how markets work*’ (Draghi, 2012d; D8), and suggests the sovereigns to provide clarity and predictability to their actions in the presence of the market-as-agent.

Redefining sovereignty as shared. The emphasis on the market-as-agent rationale is important not only in itself, but in connection with another central issue of the EMU – sovereignty.

Since the Maastricht Treaty sovereignty is a stumbling point of European integration and the transfer of the states’ functions [i.e. part of sovereignty] to the European level raises questions of legitimacy. The sovereignty framings of Jean-Claude Trichet go in line with internalized discussions and focus on the legitimacy of interlevel transfers. He states that the EMU sovereignty is partially transferred, thus, monetary and some fiscal decisions are already legitimately exerted at the European level. As well, in the long-term a further transfer of sovereignty is inevitable within the EMU (Trichet, 2011a; T6).

Mario Draghi moves beyond the institutionalized discussions and calls to redefine the EMU conception of sovereignty. legitimacy of power transfers. He emphasizes that the arguments on the legitimacy of power transfers and sovereignty loss are vain, and sovereignty in Europe does not exist in its previous form anymore, as it is lost to the markets (Draghi, 2012f; D9) [he explicitly states his preference for a phrase ‘sharing sovereignty’, rather than ‘transferring of sovereignty’ (Draghi, 2012c; D5)] The initial institutional set-up and the exposure of the countries to markets as a single entity cancelled out the previous conception

of national sovereignty, and the new one needs to be defined. The way to do it is by accepting the EMU as a unity (Figure 9): *‘only once the euro area countries are willing to share sovereignty at the European level that they will gain sovereignty’* (Draghi, 2012d; D8).

Insert Figure 9 about here

Shifting the perception of sovereignty as shared in the framework of the EMU, Mario Draghi echoes the previous role. The FSB regards the global finance as an integrated system, the complexity of which underlines the interrelatedness of its components. Jean-Claude Trichet, for example, regarded the FSB as a *‘natural international coordination mechanism... where proposals should be coordinated globally to ensure that there are no loopholes in our integrated global financial system’* (Trichet, 2010a; T2; emphasis ours). Draghi sees the EMU as an integrated system as well. Before the ECB office he comments on the strength of the euro area design: *‘we have pooled monetary policy, so it is considerably complex for the IMF dictate discipline to some country without saying anything on the monetary policy’* (Draghi, 2010a; DIF1). Further, as the ECB President, he advances this stance – underlying internal dependence of the countries, he frames it as a strength if the members act in concert with respect to the external environment. Thus, with the view of the market-as-agent the countries on their own are exposed to large risks, while responding collectively, they enforce the system they belong to and effectively preserve their sovereignty: *‘working together in a stability-oriented union actually means to regain sovereignty at a higher level’* (Draghi, 2012f; D9; as well 2012c; D5).

Thus, enacting the role of the ECB President, Mario Draghi shifts the discourse on sovereignty. Instead of defining it as a property of a nation-state that opens the discussion on the legitimacy of its transfers [past and future], he advances the view on sovereignty as pertinent to the European level, that the states need to embrace. The redefinition of

sovereignty in supranational terms ipso facto nudges the sovereigns towards integrative dynamics, that entail larger involvement of the countries in the EMU.

Turning the shifts in action

We illustrate the relevance of the defined shifts to the development of the EMU. We show how Mario Draghi applies them in the discourse, that introduces two policies, the Fiscal Compact and the Outright Monetary Transactions (OMT). It is important to note, that we do not claim that the individual changes the EMU. Rather we show how the previous cognition affects individual sensemaking in a new context (Cornelissen, 2012) and forms the intention for change. The intention is externalized in framings of the policies, that nudge the states towards integrative dynamics.

Fiscal Compact: rules' reinforcement and structural reforms. The Fiscal Compact is introduced under the banners of the market-as-agent rationale and shared sovereignty.

Verbalizing expectations of markets, Mario Draghi in the role of the ECB President clearly delineates the scope of a legitimate action within the EMU. The policies should be 'well-defined' and 'clear', and the countries are to keep 'commitment' to publicly expressed behavior in order to gain 'confidence' and 'credibility' of the markets. He underlines two aspects that need to be consistent and supported collectively with the view of the markets – public finances and public policies. This requires a collective strategy with shared responsibilities over these issues. As a result, on March 2, 2012 a more co-dependent regulatory framework emerges with the Treaty on Stability, Coordination and Growth [usually referred as Fiscal Compact].

First, the existing rules are reinforced in the Treaty. Adhering to them, Mario Draghi acts on his role at the BI. At the same time the role at the FSB role advocates that the existing rules are of little effect without a shared responsibility. Therefore, the '*rules of a different*

nature' are put in place, that become *'written into the primary legislations of the member states'* and bind *'ex ante'* (Draghi, 2011; D1), increasing the interdependency of the countries.

Discursive emphasis on interdependency is a marked feature of Mario Draghi's role enactment compared to the one of Jean-Claude Trichet, especially with regards to the regulation. Trichet calls the countries to adhere to the rules, stressing that they are the basis on which the EMU is built. The states *'have to do their homework'* (Trichet, 2011a; T6) and assume a mutual responsibility to monitor application of the rules: *'They must keep to the rules and commitments. They must behave themselves properly and alert their peers, the other Governments, to also behave properly'* (Trichet, 2010b; T3; emphasis ours). Thus, in the discourse of Jean-Claude Trichet the relationships of trust are sourced from the compliance with rules. Instead, Mario Draghi highlights that the EMU is an integrated system, where the states are interdependent. The status quo, *'where you spend as you want, and then you ask to issue (debt) together'* showed itself unsustainable in the situation of the financial crisis (Draghi, 2012a; D2, 2012f; D9). Therefore, a more integrated system is to be put in place; a system that is directed externally – to restore the confidence of markets and provide a clear message of the euro irreversibility (Draghi, 2012a; D2), and internally – to build a trust and sense of commonality among the EMU members. Emphasizing unavoidable character of such evolution in the given institutional set-up, new regulations on public spending are introduced with the Fiscal Compact. This way the *'national sovereignty start to be released for the common intent of being together'* (Draghi, 2012a; D2), building the first step of the fiscal union [a more integrated form of the EMU governance].

The second component of the Fiscal Compact includes structural reforms, a set of policies aimed at balanced growth. Similarly to the fiscal regulations they are introduced emphasizing the market-as-agent rationale and interdependence of the sovereigns. As such, the EMU is described as an integrated system both from the external perspective as *'austerity*

by one single country and nothing else is not enough to regain confidence of the markets' (Draghi, 2011; D1) and the internal one as the responsibility for the reforms lays on each country: 'It is hard to think of how [an external] mechanism could correct basic structural misalignments, where there ought to be a national response' (Draghi, 2010b; DIF2).

Outright Monetary Transactions (OMT). The OMT are introduced blending price stability and financial stability, and considering sovereignty as shared.

The decision on the OMT [taken in September 2012] was not adopted by a unanimous vote of the ECB Governing Council, as the German representative voted against it [later the OMT introduction was challenged in the German Federal Constitutional Court]. The main argument against the measure holds that it contradicts the Maastricht Treaty prohibiting public debt purchases (art. 123 of the Treaty on European Union, 1992).

As a matter of fact, the OMT introduction implies the extension of the institutional mandate in the discourse. While Mario Draghi emphasizes that '*the decision for OMT was meant to pursue <...> our objective to deliver price stability*' (Draghi, 2012f; D9), it is not the only guiding rationale. The OMT is enacted to cope with the financial fragmentation of the European market. Explaining the decision-making, Mario Draghi states: '*There certainly was a deep reflection going on in the months before, both in the ECB and in the Governing Council, about how to cope with this fragmentation. The objective was and still is to restore a financially integrated monetary area. The OMT was the result of this reflection*' (Draghi, 2012f; D9). As such, the stability conception, on which the ECB acts, blends both inflationary and financial reasoning. When '*[financial] fragmentation had reached points beyond which we would not be able to deliver price stability*' (Draghi, 2012f; D9) the OMT is introduced. Thus, the imperative for stability aggregates the components of price stability and financial stability.

Ultimately, Mario Draghi emphasizes two distinct features of the OMT, comparing it with a similar measure of Jean-Claude Trichet, the Securities Markets Program (SMP), introduced on May 10, 2010. While the OMT were *conditional*, i.e. the funds are provided upon the acceptance of certain structural reforms, and *unlimited* in amount, the SMP were *limited* but *unconditional* (Draghi, 2012e; D6, 2012f; D9). Such turnaround in defining the assistance program comes from a new understanding of sovereignty as appropriate to the European level. In the face of an external threat setting the unlimited support clearly indicates to markets the ECB's determination to defend the euro area at all costs (Draghi, 2012d; D8), while the conditionality emphasizes reciprocal relations between the members of the EMU and their interconnectedness.

DISCUSSION

In the study we focus on the case of the EMU transformation into the banking union and explore the microfoundations of these dynamics (Powell & Colyvas, 2008). Considering the embeddedness of individuals in institutions (Seo & Creed, 2002) 'qua roles' (Kallinikos, 2003), we look for the effects of individual role transitions (Nicholson, 1984; Ashforth, 2001) on the direction of institutional development (Cardinale, 2019). Our account is interpretative, however, to make our explanations robust we mix methods of analysis and data types.

Reflexivity and intentionality. Institutional change is frequently explained by the infusion of novel meanings, that starts 'a cognitive process of interpreting actions and structures' (Zilber, 2002, p. 236). These dynamics are triggered by the reflexive capacity of individuals, who see institutional contradictions and resolve them, introducing change (Seo & Creed, 2002; Mutch, 2007). These studies depict actors as embedded in institutions and resolve the agency-structure dichotomy at the social-to-individual nexus. With that, the current stance on reflexivity polarizes between reflexive and non-reflexive states of

individual, where a high reflexivity entails institutional dynamics, while a low one holds institutions stable (Suddaby et al., 2016). This view recalls the logic of ‘muscular’ agents driving change (Powell & Colyvas, 2008, p. 277) with a difference that they act upon a superior reflexivity, rather than a superior rationality. Thus, the agency-structure dichotomy at the individual-to-social nexus is inherently supported.

We give an account of individual role transitions, that brings two nexuses together. Roles naturally link the macro- and micro- levels of analysis (Berger & Luckmann, 1991/1966; Jepperson & Meyer, 2011), and roles’ dynamics, unfolding over time, put these links in motion. Connecting social-to-individual-to-social in one framework, we observe a complete cycle of institutional dynamics, that regards individual embeddedness in institutions.

Our findings show that the enactments of the key role of the EMU by two individuals linguistically differ, and the variations in the second enactment are affected by the previous roles of the individual. The role at BI advocates for the existing institutional arrangements, while the one at the FSB points that adjustments are necessary. *Constrained* by the previous experience in two fractions of the social system (Sewell, 1992), an individual, taking a new role in the third fraction, is *enabled* by the same experience and instills his cognition in the new role, interpreting structures in a new way and acting upon the interpretation (Zilber, 2002). The latter takes shape in two policy measures, that direct the environment towards deeper integration. We show thus that the intention of the individual to exercise an action is embedded in institutional fabric, so structure, simultaneously constraining and enabling, orients the individual towards the action of a particular kind (Cardinale, 2018).

By the completion of a social-to-individual-to-social nexus we demonstrate the cognitive transmission between the levels of analysis (Jepperson & Meyer, 2011) and reconstruct the pre-reflective dimension of agency (Cardinale, 2018), when an individual is

‘nether *choosing* a course of action among alternatives posited as such nor being *forced* to act in a certain way’, but rather is ‘*drawn* toward some courses of action over others’ (Cardinale, 2018, pp. 133–134; emphasis in original).

The theorization of the pre-reflexive dimension of agency allows to make a deeper insight into the conception of intentionality. While the DiMaggio’s (1988) piece is often cited as a criticism of institutional static and a call for more agency, the notion of ‘interest’ [placed up front in the title] that is widely discussed in the paper remains almost unnoticed in institutional theory. Thus, intention and intentionality is embraced by the scholarship as an inherent but unproblematized property of an entrepreneurial actor, who acts consciously and purposefully (Battilana et al., 2009). Building the microfoundations of institutions makes inevitable an inquiry into the nature of agency (Meyer, 2010; Mutch, 2007; Abdelnour et al., 2017), that reconstructs an actor’s embeddedness in the social fabric and explains how a conscious act becomes cognitively possible. This entails the problematization of the current understanding of intentionality.

The sociological tradition views intentionality as a complex phenomenon (Blum & McHugh, 1971). Defining intention as a ‘state of mind directing person’s attention’ (p. 442), Bird (1988) emphasizes its cognitive dimension, that sets an entrepreneur to implement particular ideas and mobilize a certain type of action. In the same vein, (Bourdieu, 1988, p. 782) understands strategies as ‘neither the outcome of the explicit aiming at consciously pursued goals, nor the result of some mechanical determination by existing causes’, but rather as ‘objectively adjusted to the objective situation’.

The introduction of the pre-reflexive dimension of agency allows to understand intentionality as an embedded phenomenon and make it a part of the microfoundations’ agenda. Formed from the ‘flexible schemes acquired during the past’ (Cardinale, 2018, p. 141), an intention settles an individual ‘on some actions of the many that are made possible

by structure' (Cardinale, 2018, p. 133). Inquiry into the constructed nature of intentionality is especially relevant considering the recent turn to the questions of power and politics in institutional theory (Munir, 2015) and increasing interest in the micro process of meaning making, reflected in increased attention to the value-laden language (Leibel, Hallett, & Bechky, 2018).

Agency as a cultural category. Our study of role dynamics allows to bring into the picture the figure of the ECB President as a cultural category (Meyer, 2010; Meyer & Jepperson, 2000). The EMU has been devised as a system, that brings the monetary policies of the nation states to a single rule. Thus, the governance of the EMU executive body, the ECB, has required a particular type of actor with a strong expertise in economics and ability to guide the system in full independence and to the letter (Chang, 2017). The financial crisis has significantly affected the banking sector globally (Blinder, Ehrmann, de Haan, & Jansen, 2016; Feroli, Greenlaw, Hooper, Mishkin, & Sufi, 2017) and brought adjustments to the role of the ECB President. We find that the knowledge of financial markets, as well as political will and skills to make and communicate a new sense of the existing notions [as 'sovereignty'] become crucial for a role incumbent to be up to the task. While our study merely states the presence of these dynamics, future research may make a more systematic inquiry into the cultural reconstruction of the figure of a central bank president.

Methodological implications. In our study we focus on the microfoundations of institutions, that account for the recursive influence of the macro- and micro- levels (Powell & Colyvas, 2008). To understand interlevel dynamics we develop a methodological framework, that allows to connect a role and its enactments by individuals, comparing the vocabularies they use enacting the role.

A role includes a linguistic component, represented in a stable typified vocabulary (Berger & Luckmann, 1991/1966). As such, a lexical variation of the role [the

institutionalization of new words] is observed in long periods [e.g. in (Moretti & Pestre, 2015)], while in shorter ones the variation occurs at the semantic level of language, more difficult for dissection. We take up this methodological challenge and show how the different use of the same words [i.e. their particular aggregation in sentences] reflects diverse cognitive associations of individuals enacting a role. Capturing variation in the enactments of the same role, we reach the semantic level and state that a stable role-related language is actually dynamic and may be traced even in a short span of time.

In the study we combine traditional and computational methods of text analysis and show their complementarity for capturing informational signals in the texts (Mohr, Wagner-Pacifici, Breiger, & Bogdanov, 2013, p. 676), that ensures robustness to an interpretive study.

Limitations. The most significant limitation of the paper is holding unchanged the historical background of the analysis. Exploring variance in the enactments of the role of the ECB President, we treat the macro-context as fixed since the beginning of the sovereign debt crisis. Thus, we disregard possible changes in the nature and severity of the crisis, that may require different responses from individuals in the role. This choice was deliberate and aimed to reduce the complexity of the inquiry, however, we take in account possible objections of reality simplification in the study.

CONTRIBUTION

We see our main contribution to the literature on the microfoundations of institutional theory (Powell & Colyvas, 2008). We address the recent discussion on what constitutes its basis, an epistemological analysis that links institutional levels (Harmon et al., 2019) or ontological one that overcomes the agency-structure dichotomy (Cardinale, 2019). Mitigating the discussion, our study makes an empirical inquiry into work role transitions (Nicholson, 1984; Ashforth, 2001). Taking a role and its enactments as the dimensions of interlevel

analysis (Jepperson & Meyer, 2011), we set individual roles in motion and explore the embeddedness of an individual (Seo & Creed, 2002) in dynamics . This way a micro-level component connects two institutional contexts and reveals an embedded *agency* [rather than depicts an embedded *actor*], as reflected in a particular action that guides institutional development.

We make a side contribution to the literature on professional dynamics. Focusing mostly on the macro- and meso- levels of analysis, these studies inquiry into changes in a professional mandate that shift institutionalized patterns (Greenwood, Hinings, & Suddaby, 2002; Lounsbury, 2007). We address the microdynamics of a profession and show that professional environment itself lacks homogeneity. Embeddedness of professionals in institutions and organizations qua roles allows different individual experience in the profession and enables different interpretations of the professional activity.

TABLE 1. Actors and their roles in the period of analysis

Central banker	Period of analysis: 01.10.2009 – 01.11. 2013	
	01.10.2009 – 31.10.2011	01.11.2011 – 01.11.2013
Jean-Claude Trichet	European Central Bank (ECB): President	
Mario Draghi	Bank of Italy (BI): Governor Financial Stability Board (FSB): Chairman	European Central Bank (ECB): President

FIGURE 1. Novelty in the sequential enactments of *one role* by *two individuals* (shaded area)

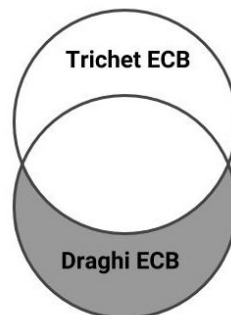


FIGURE 2. Similarity in the enactment of *two sequential roles* by *one individual* (shaded area)

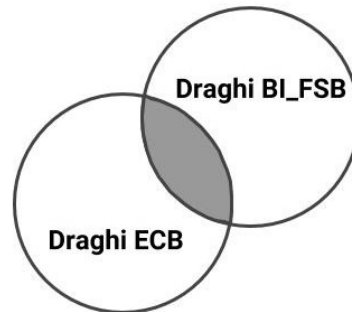


FIGURE 3. Intention for change explained by role transitions (shaded area)

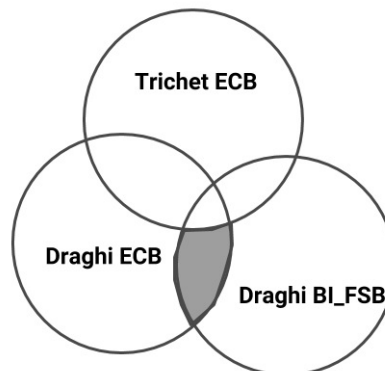


TABLE 2. Communication of the actors enacting different roles

Central banker	ECB President		Other roles	
	Speeches	Interviews	Speeches	Interviews
Jean-Claude Trichet	73	42		
Mario Draghi	49	10	33*	2
Total	209			

* The speeches of Mario Draghi at the FSB office collected since his assignment on April 2, 2009

FIGURE 4. The selected interviews and key events of the EMU history on the timeline

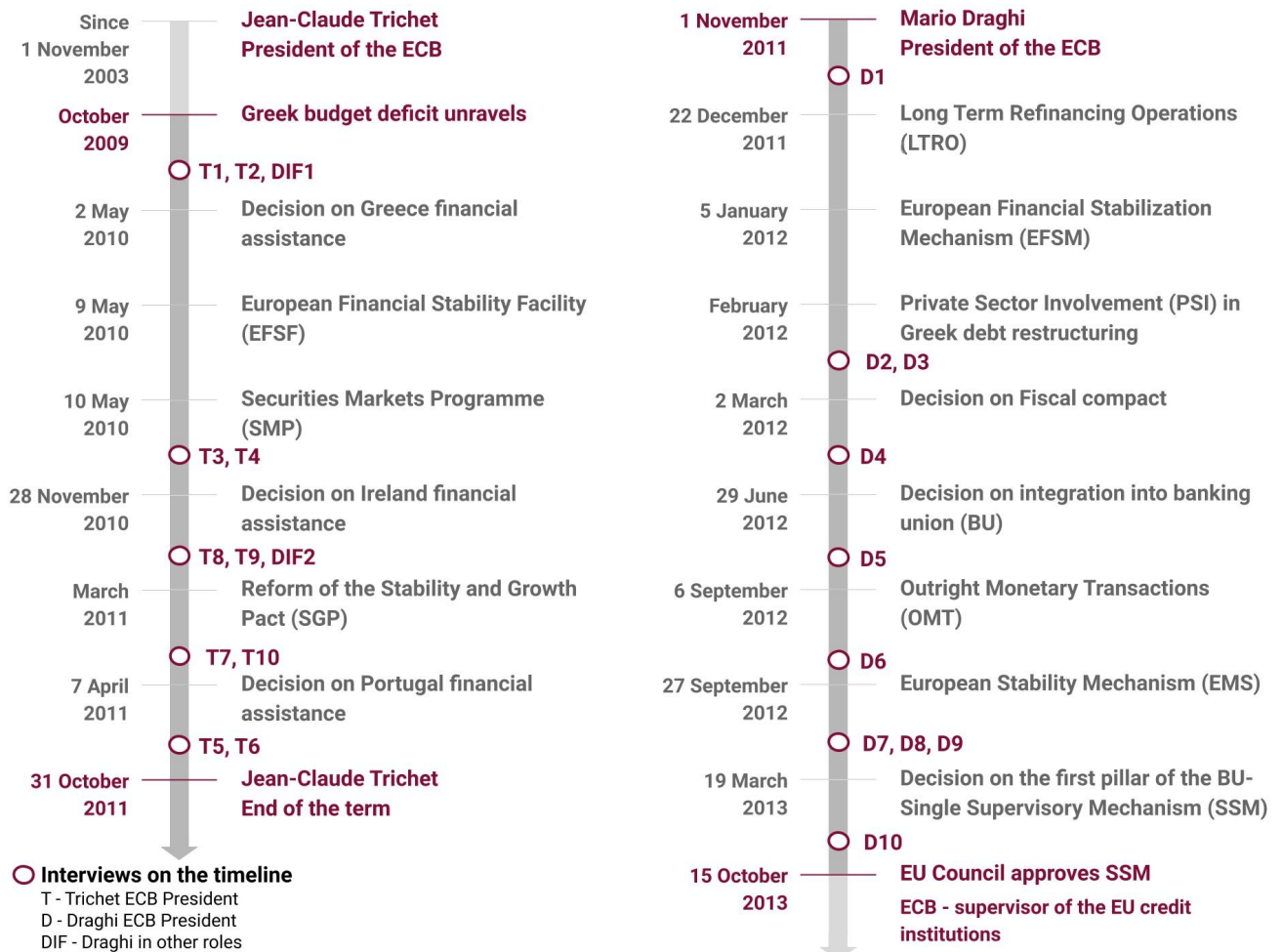


FIGURE 5. Data and methods applied in analysis

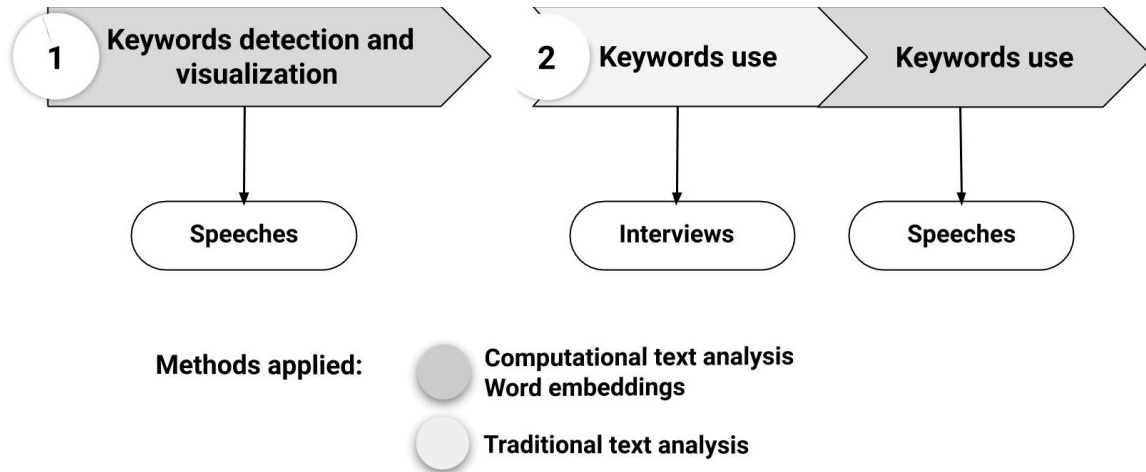


FIGURE 6. Linguistic variation in the second enactment of the ECB President role (shaded)

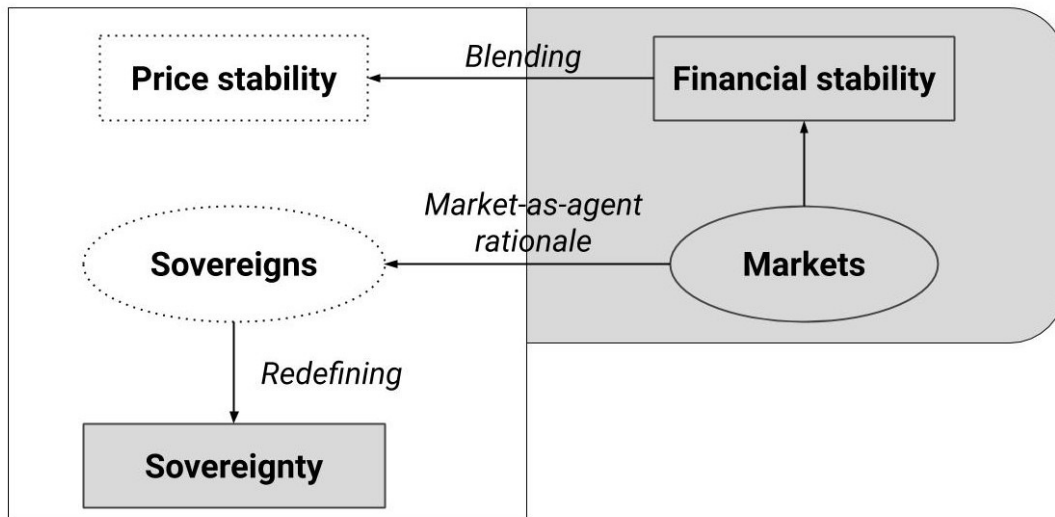


TABLE 3. Linguistic blending of stability components by the second ECB President

Citation	Primary component	Auxiliary component
'Within its primary mandate the ECB will do its utmost to ensure price stability in the medium term and within the remit of the Treaty to foster financial stability ' (Draghi, 2012a; 2D)	ensure price stability	foster financial stability
'to ensure price stability and to contribute to the stability of the financial system in full independence' (Draghi, 2012c; 5D)	ensure price stability	contribute to the stability of the financial system
'We, the Governing Council of the ECB, are committed to safeguarding price stability and avoiding systemic asset bubbles ' (Draghi, 2012d; 8D)	safeguard price stability	avoid systemic asset bubbles
'Let's not forget our objective is fight financial fragmentation and deliver price stability ' (Draghi, 2012f; 9D)	deliver price stability	fight financial fragmentation

FIGURE 7. Embeddings of a keyword 'stability' in three enactments

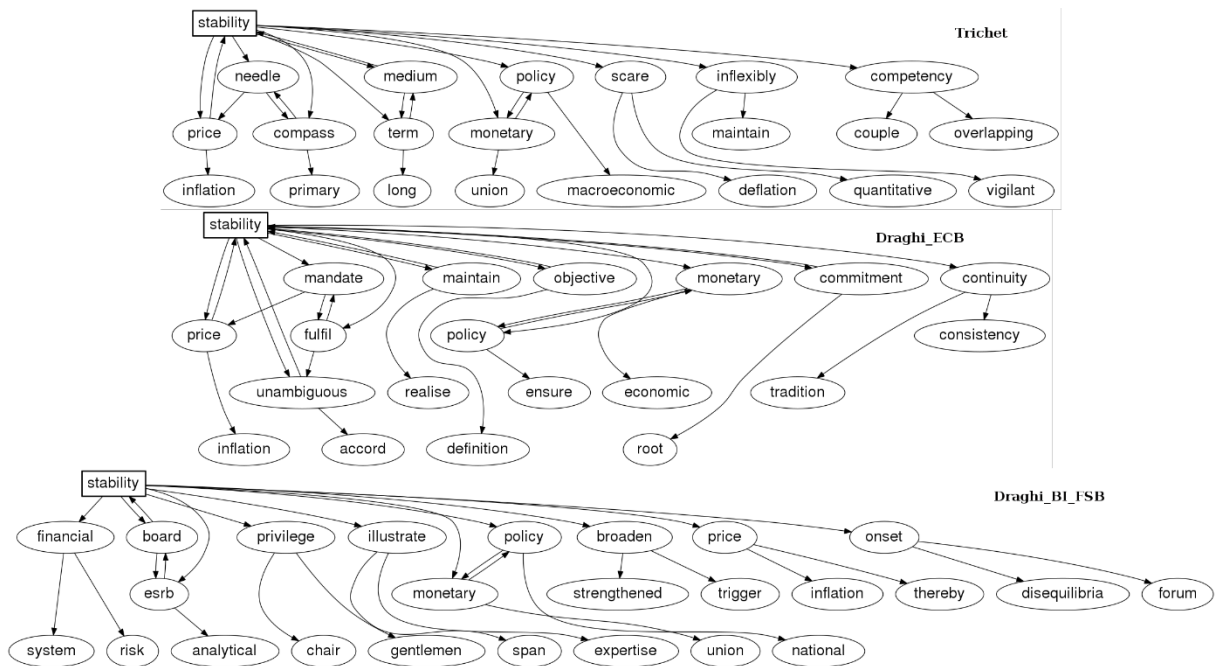


FIGURE 8. Embeddings of a keyword 'market' in three enactments

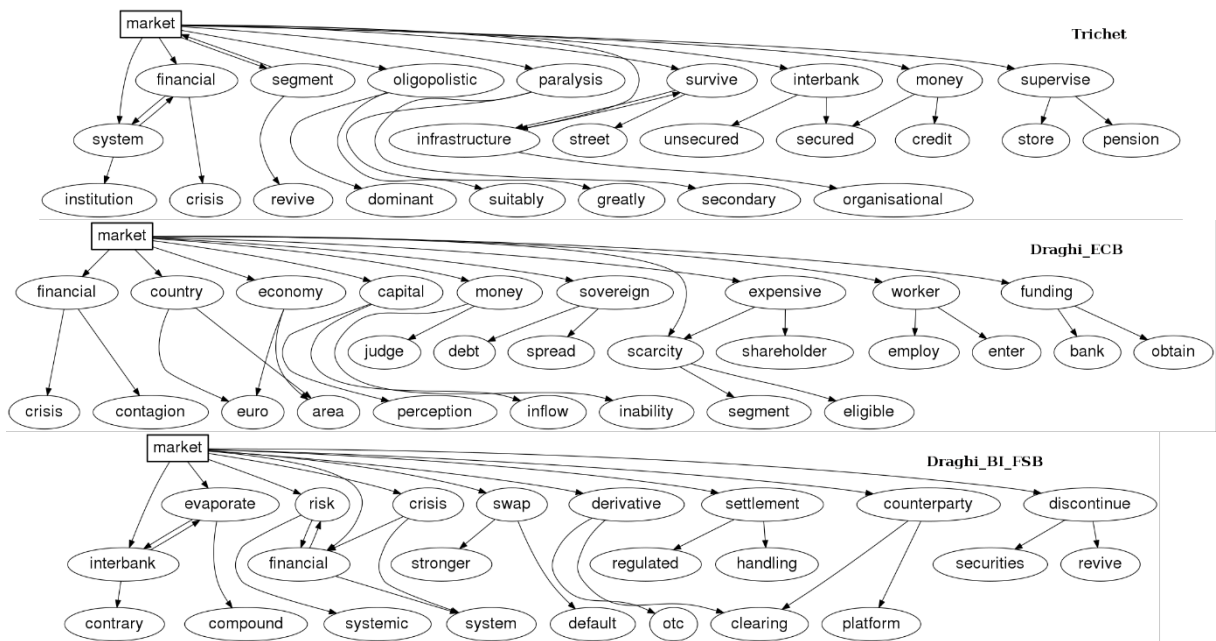
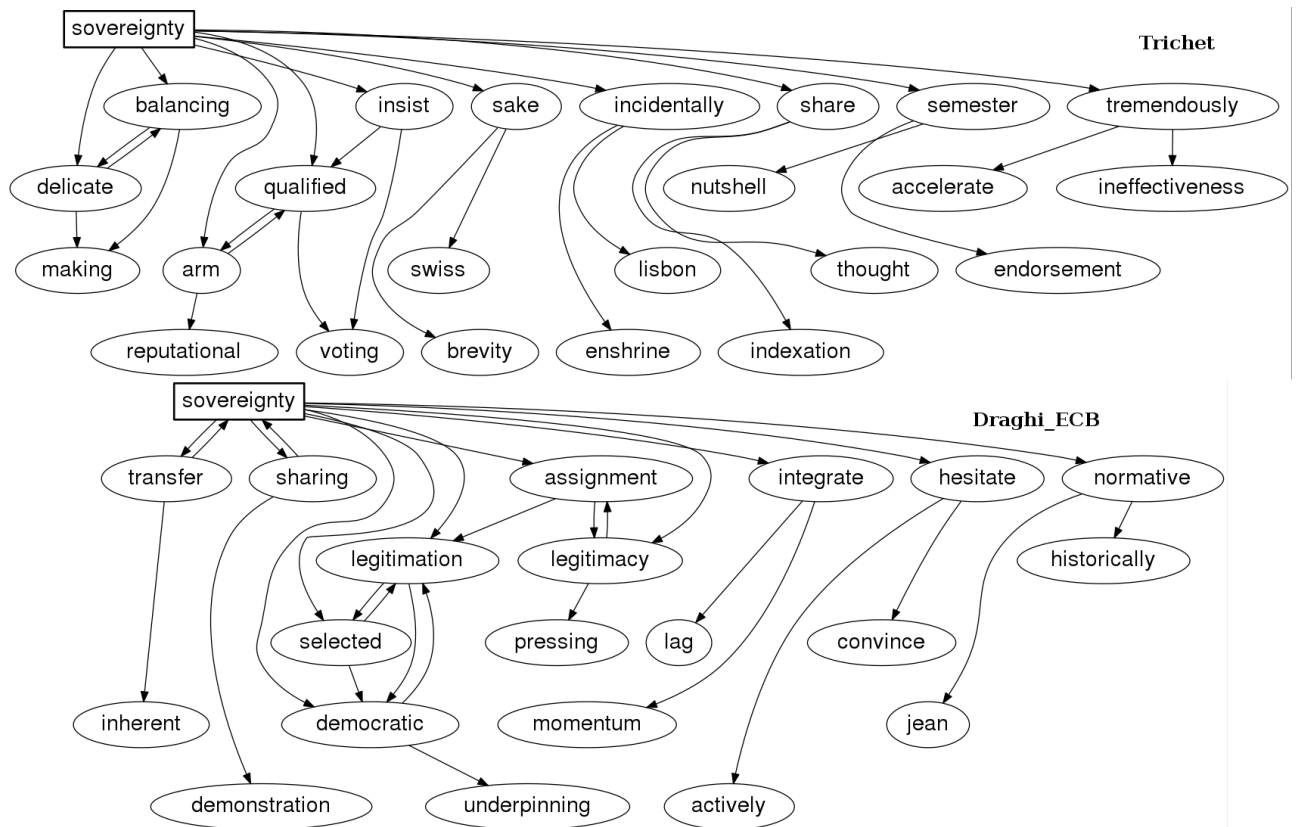


FIGURE 9. Embeddings of a keyword 'sovereignty' in two enactments



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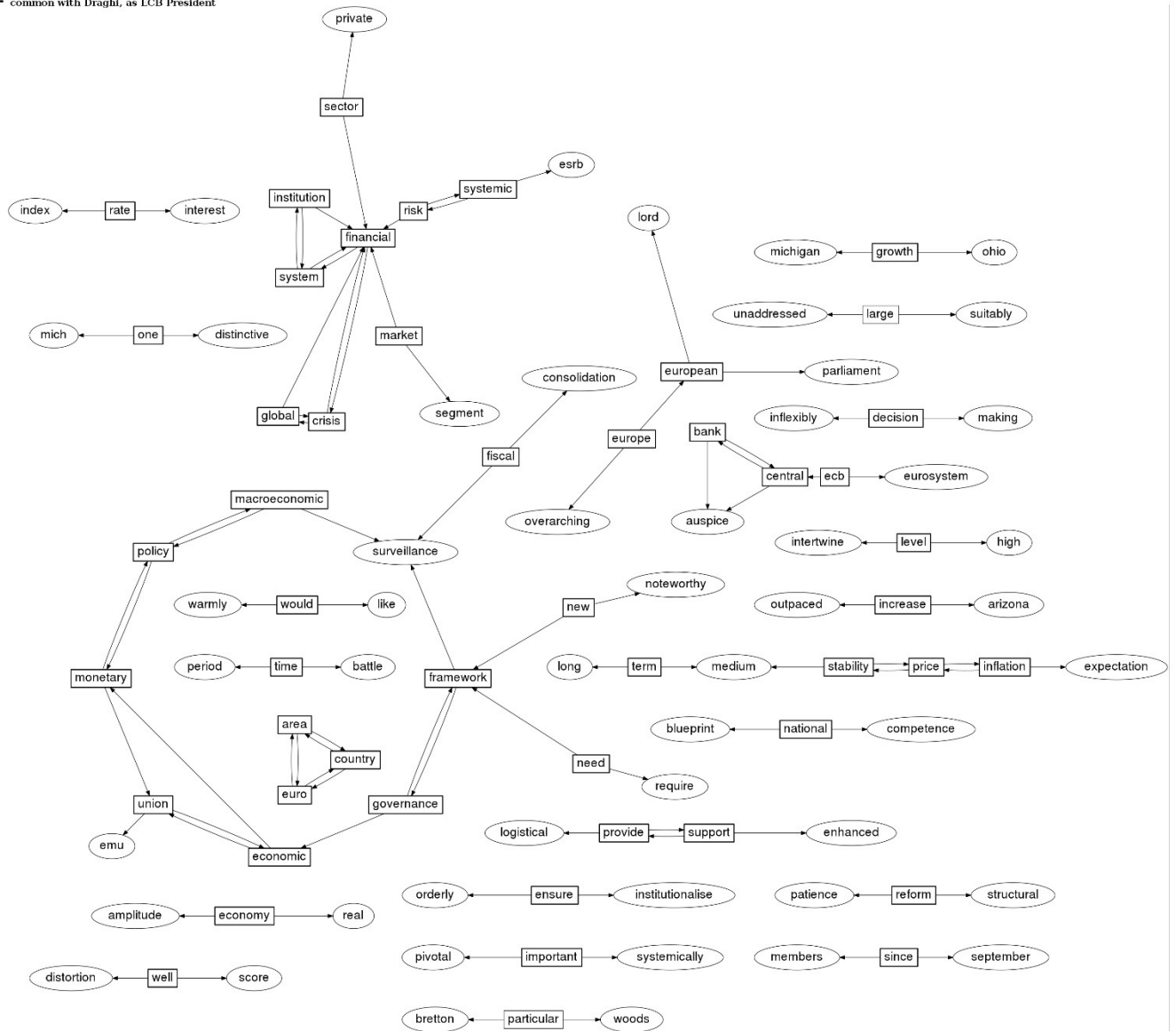
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APPENDIX. Keywords of enactments

Trichet: keywords

— common with Draghi, as ECB President



ORGANIZATIONAL IDENTITY IN ACTION: THE CASE OF THE EUROPEAN CENTRAL BANK

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In the paper we study the dynamics of organizational identity. Defining identity in terms of what an organization *does*, we build a framework of organizational action, expressed by organizational leaders. We compare it with the functions, mandated to the organization upon the establishment, and understand how organizational identity evolves through actions the organization performs. Empirically we address the case of the European Central Bank. Applying computational techniques to the communication of its leaders, we extract subject-predicate-modifier triads, build frameworks of organizational action as expressed by each individual and compare the frameworks to each other and to the organizational mandate. We find that the interpretation of the mandated functions changes with time and allows to emerge discursively a more accountable and active organizational self, that in turn reflects the evolution of identity from managing to governing. We show that an organization adapts its ways of organizing, but keeps the core mandate intact allowing for identity continuity.

Keywords: organizational identity, organizational mandate, action, vocabulary, the ECB

Organizational identity is acknowledged to embrace a set of central, distinctive, and enduring [temporally continuous] claims about an organization (Albert & Whetten, 1985). At the same time, an inquiry into the dynamics of organizational identity intrinsically challenges the feature of endurance, and makes it the most controversial in the debates of identity scholars (Gioia, Patvardhan, Hamilton, & Corley, 2013). As a way to solve the contradiction, the notion of organizational identity is clarified conceptually, distinguishing it from strategy (Ashforth & Mael, 1996), image (Dutton & Dukerich, 1991), reputation (Brown, 2006), organizational culture (Hatch & Schultz, 2002; Ravasi & Schultz, 2006). In this vein, Ashforth & Mael (1996) anchor an organizational mission to identity, and its goals to strategy; Margolis & Hansen (2002) distinguish between core identity attributes of purpose and philosophy, and alterable application attributes of priorities, practices and projections. Yet, their reciprocal influence challenges their separation in an empirical inquiry, especially at the individual level (Ashforth & Mael, 1996). Thus, rather than an inquiry into what *endures*, an account of organizational identity *continuity* is on call (Gioia, Schultz, & Corley, 2000), that focuses on evolving representations and translations of the central values into actions (p. 65).

Studies of organizational identity look to answer *Who are we as an organization?*, focusing on the conceptual domain of the claims (Whetten, 2006), i.e. on *something* (Gioia & Patvardhan, 2012; emphasis in original). In this framework, the claims show dynamics if long periods of analysis are considered (Anteby & Molnár, 2012), or due to the influence of exogenous factors, such as an industry transformation (Fiol, 2002; Ravasi & Phillips, 2011) or a merger (Knippenberg, Knippenberg, Monden, & Lima, 2002). With that, identity is expressed in action as well (Gioia et al., 2000; Gioia & Patvardhan, 2012). Speaking tautologically, an organization organizes [i.e. manages a part of the real world], so that *organizing* rather than organization becomes the phenomenon of interest for capturing

identity (Gioia & Patvardhan, 2012, p. 57; emphasis in original). In more practical terms it suggests an inquiry into the vocabulary of action, focusing on *what we do* as an organization (Ravasi & Canato, 2010; Glynn & Watkiss, 2012; Gulati, Raffaelli, & Rivkin, 2016). As a social system, an organization develops specialized *vocabularies of organizing*, that connect organizational cognition and action (Loewenstein & Ocasio, 2005) and reveal the conception of a self through the actions performed. As such, we explore the dynamics of organizational identity, addressing the framework of organizational action.

A newly established organization is particularly insightful for an empirical inquiry into the identity dynamics. The moment of establishment frames the analysis and allows to compare an initial organizational mandate with its implementation by organizational leaders. Speaking on behalf of the organization, they enact the mandate making identity claims that function as organizational identity (Whetten, 2006, p. 220). Thus, we ask *How do the leaders of a newly established organization enact the organizational mandate claiming what the organization **does**?* and *How does it affect organizational identity?*

Answering the question, we address the case of the European Central Bank (ECB), that since June 1, 1998 is mandated to administer the monetary policy of the Economic and Monetary Union (EMU). Successful monetary unions inevitably transform from a merely currency area to the embedded one, ‘with a true lender of last resort, a fiscal and banking union, and an accountable and democratically legitimate political union’ (McNamara, 2015). In the case of the EMU this integrative dynamic evolves around the ECB, that for less than 20 years becomes a single supervisor of national credit institutions, behaves as a de-facto lender of last resort during the crisis (Garcia-de-Andoain, Heider, Hoerova, & Manganeli, 2016) and actively participates in building a rudimentary fiscal union [the Fiscal Compact binds the countries to incorporate fiscal commitments in their legislations]. As such, the identity of the

ECB evolves with time, and we inquire in its dynamics focusing on the framework of organizational action, mandated and enacted.

We proceed as following. First, we provide the rationale to explore organizational action for understanding identity dynamics. We then describe the empirical setting and collected data. Following that, we introduce the framework of analysis and computational techniques applied in it. Finally, we report our findings and close building a discussion on their theoretical implications.

THEORETICAL BACKGROUND

Identity dynamics and action. Organizational identity is defined as a statement that includes central, distinctive, and enduring [continuous] claims about organization (Albert & Whetten, 1985), answers *Who are we as an organization?* (Whetten, 2006). Growing interest of the identity research in identity change (Fiol, 2002; Ravasi & Phillips, 2011) or its construction in interactions (Whetten, 2006; Ravasi & Schultz, 2006), challenges the premise of identity endurance and turn it to be the most debated in the identity literature (Gioia et al., 2013, p. 126).

Resolving contradiction between the identity endurance claimed in theorization and the identity change evidenced empirically, the concept is clarified in the logic of ‘what organizational identity is not’ (Corley et al., 2006), and elaborated with regards to organizational strategy (Ashforth & Mael, 1996), image (Dutton & Dukerich, 1991; Gioia et al., 2000; Hatch & Schultz, 2002), reputation (Brown, 2006) and culture (Hatch & Schultz, 2002; Ravasi & Schultz, 2006). For example, Margolis & Hansen (2002) distinguish the core attributes of organizational purpose and philosophy, and the application attributes of priorities, practices and projections, acknowledging that the latter do not constitute the identity and therefore may be altered. With that, a clear division of identity and strategy

might not be straightforward in an empirical inquiry due to their reciprocal influences (Ashforth & Mael, 1996). Alternatively, Gioia et al. (2000), considering another interpretation of the endurance claim, call to shift focus on identity *continuity*, rather than *endurance* [the seminal piece of Albert & Whetten (1985) allows both readings]. This shifts the stance on organizational identity, viewing it as a dynamic phenomenon (Gioia & Patvardhan, 2012), thus inquire not in the identity core per se, but in its representations and translations in actions, that take different forms over time (Gioia et al., 2000).

Czarniawska (2004) underlines the connection between identity and action, illustrating that ‘one becomes “a publisher” because s/he *publishes* books’ (p. 10; emphasis in original). In the same vein an organization becomes what it is by managing the reality around it in a particular way, choosing what action to exercise and making it meaningful in terms of self-definition (Ravasi & Schultz, 2006). As such, organizational identity might be conceptualized not only as an *object* (Ashforth & Mael, 1996; emphasis in original), but as an *action* as well (Ravasi & Canato, 2010; Gulati et al., 2016; Gioia & Patvardhan, 2012; Glynn & Watkiss, 2012). This way “«doing» gets closer to «being»/identity as people come to reflect upon and make sense of their actions” (Pratt, 2012, p. 26).

Leaders, acting on behalf of an organization, play a major role in shaping organizational identity (Whetten, 2006; Ashforth & Mael, 1996). Interacting with organizational environment, facing different situations and making choices on how to act, they make statements on what the organization *does*. These statements reflect both the focus of organizational attention (Ocasio, Laamanen, & Vaara, 2018) and organizational responses to this agenda (Gulati et al., 2016). As such, they combine the conceptual domain (Whetten, 2006) and the scope of organizational action (Ravasi & Canato, 2010) and reveal dynamically oriented *organizing* (Gioia & Patvardhan, 2012).

In practical terms identity claims need to be understood addressing both words of substance and action (Bakken & Hernes, 2006; Gioia & Patvardhan, 2012). Vocabularies of *organizing* used by an organization to make sense of the situations it faces importantly link culture, cognition and action (Loewenstein & Ocasio, 2005). They unfold how members classify organizational practices and responses and show the logic of action pertinent to a particular organization (Loewenstein & Ocasio, 2005; Loewenstein, Ocasio, & Jones, 2012), that is central for the inquiry into the dynamic of organizational identity.

Organizational mandate. At the moment of establishment an organization is often furnished with a certain framework, that describes its purpose and functions it undertakes. It may be encapsulated in a mission statement, an agreement etc. In the context of our study we call such framework as an organizational mandate.

Newly established organizations with an organizational mandate is an insightful setting for understanding the identity dynamics. It allows to capture a moment, where an organizational essence is explicitly articulated, and make it a starting point of the analysis of identity dynamics, that is especially relevant for an empirical examination. Organizational identity is often viewed as emerging in interactions of stakeholders, who arrive to a shared understanding of what an organization is (Pratt, 2003; Scott & Lane, 2000). This challenges the empirical research of identity dynamics, as identity emergence comes to be dynamic itself. We do not undermine the value of constructivist accounts of identity formation, yet we see an analytical advantage to address an organization, mandate of which is clearly drawn up.

RESEARCH DESIGN

Empirical setting. The Maastricht Treaty (*Treaty on European Union*, 1992), codifying the agreement of European countries on the framework of the Economic and Monetary Union (EMU), includes the description of a future supranational bank, European

Central Bank (ECB). The core mandate of the bank is to execute the monetary policy of the euro area, drawing on the principle of price stability. The Treaty describes as well a range of operations, that the supranational entity executes and the matters it deals with, defining this way a legitimate framework of organizational action. We follow the wordings of the Treaty and define the functions delegated to the ECB. As such, we select the sentences of the Treaty, where the word ‘ECB’ appears as a subject, identify the predicates [verbs or verb phrases] that accompany it and summarize them in functions (Table 1).

Insert Table 1 about here

The European Central Bank (ECB) is established on June 1, 1998 and concludes the implementation of the EMU, taking the responsibility over a single monetary policy. In 20 years, however, the organization changes its role and becomes a single supervisor of the EMU, acts as a de-facto lender of last resort during the financial crisis (Garcia-de-Andoain et al., 2016) and promotes deeper fiscal commitments from the counties advancing the Fiscal Compact²². Reviewing past monetary unions, McNamara (2015) emphasizes that successful unions inevitably follow the trajectory of deeper embeddedness and integrate national institutions across banking, fiscal and political dimensions. In the case of the EMU, the ECB becomes a center of the EMU deepening integration. Thus, its role and scope of responsibilities changes, making it an interesting case to inquire into the dynamics of organizational identity.

The ECB is headed by the President, who is elected for an eight-year term by the ECB Governing Council (GC)²³, policy-making body of the EMU. The President represents the organization, acting as a top executive officer and as a spokesperson of the decisions taken collegially by the GC. As such, the ECB President talks on behalf of the organization (Taylor

22 Treaty on Stability, Coordination and Governance in the Economic and Monetary Union (March 2, 2012)
23 comprises the governors of the national central banks, that adopted the euro as the only legal tender [19 at the moment of writing] and 6 members of the ECB Executive Committee (including the ECB President)

& Cooren, 1997), making claims about the actions organization performs, that express organizational identity (Whetten, 2006, p. 220).

Data. From the ECB official site we collect communication of three Presidents, who headed the organization since its establishment. The last entry included in the database is of 28 August, 2019 at the moment of writing (Table 2). For the final version of the paper we will include communication of the current incumbent, Mario Draghi, till the end of his term on November 1, 2019. The additional data entries would not significantly affect our findings, rather may provide more illustrative examples of the observed patterns.

Insert Table 2 about here

The database includes speeches of the ECB Presidents, delivered for different events. We omit speeches of one type – introductory messages to press-conferences after the ECB Governing Council meetings, that are held every six weeks. While these statements provide an important information on macro-indicators and give a rationale for monetary policy decisions, making them a president behaves as a representative of the Governing Council, rather than the ECB itself. Therefore, we consider speeches of this type as less relevant to our inquiry on the dynamics of organizational identity and exclude them from the analysis.

Analysis. To understand how the functions mandated to the organization are enacted by the leaders, we explore their discourse focusing on the vocabulary, that captures the claims of action that the organization performs. As such, developing an algorithm in python programming language, we isolate words that refer to action (predicates) and characterize action (predicate modifiers) and then visualize them. Further we describe steps of the analysis in more detail.

First, we understand to which entities the ECB Presidents refer the most in the speeches. With *spaCy* library we extract the named entities (persons, organizations, countries

etc.), that are mentioned in the texts as a sentence subject. Figure 1 shows that the organization itself is the most frequently mentioned entity in the discourse of the presidents, that makes the dataset representative for the inquiry into the identity dynamics of the ECB.

Insert Figure 1 about here

To understand individual references to the entities by the presidents, we group the entities by their occurrence in the discourse of each leader, omit those that appear less than twice [in order not to clutter the visualization] and build a network (Figure 2). Identifying the constituencies that organizational leaders mention in the speeches, we uncover the relational patterns of the ECB.

Insert Figure 2 about here

Second, we capture the frameworks of action attributed to the ECB in the discourse of each organizational leader. Figure 3 features the steps of analysis.

Insert Figure 3 about here

With *spaCy* library we select sentences, where the word ‘the ecb’ functions as a *subject*. Then we isolate the *predicates* [verbs or verb phrases], that accompany the subject in the sentence, to grasp the actions performed by the ECB. Finally, we extract the *modifiers*, that accompany the predicates (if any), to capture more substantive features of the actions. Syntactically modifiers appear as direct/indirect objects or object/subject compliments, and semantically they complement the meaning, expressed by a predicate, characterizing the action or providing clues to what the action is directed.

With *networkx* library we visualize the subject-predicate-modifier relations as networks. Considering that a role of the ECB President includes a typified, role-related

vocabulary (Berger & Luckmann, 1991/1966) and in order to facilitate the perception of the resulting networks, we apply a threshold on predicates' counts and distinguish between predicates that are common for three leaders and all other²⁴. Thereby, for each individual we select 50 most frequent predicates used in the discourse with a word 'the ecb' and check for their intersection, defining this way 19 common predicates. Next, for the *common predicates* and for the remaining *different* ones [we select only those that appear more than twice in order not to clutter the visualization] we build networks. As a result, we obtain two subject-predicate-modifier networks for each individual, one with common predicates and the other with different ones (Appendices 1 and 2). They feature the frameworks of organizational action in words of each leader.

We analyze the resulting networks in two ways (Figure 4).

Insert Figure 4 about here

First, we compare the predicate-modifier pairs of each network with the functions mandated to the organization upon the establishment (shown in Table 1). Thus, we check if each function is enabled in the discourse and if yes, how frequently it is used. Second, we compare individual networks among each other and focus on peculiarities in the use of words [both predicates and modifiers] that represent each function. This way we capture semantic shifts in the enactments of the functions.

FINDINGS

We inquire into how organizational leaders enact the organizational mandate stating what organization *does*, and how these enactments affect the dynamics of organizational identity. Taking the European Central Bank as an empirical case, we describe how the mandated organizational functions were enacted by three Presidents. We account for the

²⁴ we make this manipulations with *pandas* library

dynamics of organizational action, expressed in the words of the ECB leaders, understand the focus of their attention and infer from it the identity dynamics of the organization.

Mandate enactment

In the Figure 5 we show the comparison of the mandate enactment by three individuals. Exploring their discourse in the logic of Figure 4, we have compared the enactments with the mandate itself, focusing on the references to the mandated functions and frequency of these references [marked as + or – in the table], and with each other, paying attention to the variations in the use of vocabulary that feature shifts in interpretations of the functions.

Insert Figure 5 about here

Executing monetary policy: From ‘responsibility’ to ‘accountability’. The core task assigned to the ECB by the Maastricht Treaty is to administer monetary policy within the EMU in accordance with the key mission of the Union – to deliver price stability. Upon the ECB establishment its leaders continuously confirm in the discourse, that the main task of the organization is to ‘ensure/deliver price stability’, acknowledging thus taken responsibilities. At the same time, in the discourse of the third leader references to the responsibility transform in two ways – Draghi focuses on a new responsibility of the organization and reframes the ECB obligations as ‘accountability’.

First, while Duisenberg and Trichet confirm an organizational responsibility for the tasks related to the monetary policy execution, Draghi applies the word ‘responsibility’ to another focal area – the supervision of credit institutions in the EMU. While in the Treaty framings the prudential supervision is considered as a ‘specific task’ in the range of monetary policies that the ECB *may* perform (see Table 1), since November 2013 it becomes a regular

responsibility of the organization. As such, the organizational leader, frequently mentioning it, underlines the newly taken obligation and allows it to emerge discursively (Maguire & Hardy, 2006).

(BE) RESPONSIBLE, RESPONSIBILITY	Duisenberg	<p>The ECB will embrace the implied responsibility, but at the same time it will have to be modest and realistic in its actions on the international stage (1999-01-18)</p> <p>The European Central Bank and the Eurosystem have assumed their new responsibilities, and the monetary policy instruments and decision-making procedures are functioning well (1999-09-08)</p> <p>...the ECB took over full operational responsibility for the single monetary policy (2000-07-11)</p> <p>In this regard, whenever the euro area monetary policy is under surveillance, the ECB is solely responsible for interaction with the IMF and OECD (2000-09-27)</p>
	Trichet	<p>The ECB is responsible for monetary union, in full independence (2011-01-10)</p> <p>At the same time, the ECB is solely responsible for decisions on foreign exchange operations. In this way we give the euro area a single voice in international fora on exchange rate-related issues (2004-05-21)</p> <p>...that the ECB and the Eurogroup share the responsibility for exchange rate consultation with third parties - for example at G7 level - and for communication policy (2004-05-21)</p> <p>...once the Governing Council has defined the monetary policy stance necessary for maintaining price stability in the medium term, in line with its mandate as defined by the Treaty, the ECB has the responsibility to also ensure the smooth functioning of the segment of the money market that we influence (2007-12-28)</p>
	Draghi	<p>Under the SSM Regulation, the ECB became responsible in 2014 <u>for the supervision of significant credit institutions in the euro area</u>, permitting a more harmonised approach to supervision (2017-06-07)</p> <p>...shortly before the ECB assumes supervisory responsibilities (2013-12-17)</p> <p>Later this year, once the legal texts have been adopted, the ECB will assume a major new responsibility to prepare for <u>becoming the new euro area banking supervisor</u>, as home and heart of the single supervisory mechanism (2013-01-24)</p> <p>In less than one month from now, the ECB will be assuming full responsibility for the micro-prudential supervision of all banks in the euro area and more directly by becoming the single supervisor of around 120 significant banks (2014-10-14)</p> <div style="border: 1px solid black; padding: 5px; margin-top: 10px;"> <p style="text-align: center;"> (BE) ACCOUNTABLE, ACCOUNTABILITY </p> <p>...how the ECB will be accountable for its supervisory actions to the citizens of Europe and their elected Representatives (2012-10-09)</p> <p>The ECB is accountable to the European Parliament, where we have scheduled hearings every three months and occasional hearings on topical matters (2012-10-26)</p> <p>...that the ECB would be accountable and therefore could legitimately be independent in carrying out its monetary Policy (2019-01-28)</p> </div>

Second, the conception of responsibility in the discourse of Draghi is reflected in the word ‘accountability’, that refers to both monetary policy and banking supervision. The use of another word to frame the responsibilities of the organization has important semantic implications. A *responsible* organization accomplishes its duty in the legal terms, and in this regard the Treaty serves as a source of the ECB legitimacy. Instead, an *accountable* organization is driven by two imperatives – to perform the tasks assigned and to give an account on the performance to the stakeholders. Thus, apart of taking the responsibility per se, the ECB considers a certain audience it is accountable to, that shifts the perceived source of organizational legitimacy.

Consulting the entities to which the leaders refer in their speeches (Figure 2), we find that a collective noun emerges in the discourse of Trichet and Draghi, that has not appeared in

the speeches of the first leader – the citizens. In their discourse the citizens are treated as stakeholders, who have certain expectations and aspirations.

CITIZENS	Trichet	<p><u>Citizens need to understand the case</u> for structural reform in order to welcome it (2005-10-14)</p> <p><u>Citizens</u> and financial market agents consider the ECB's stability target to be a credible one, and continued to do so even during the difficult conditions of the financial crisis (2010-04-01)</p> <p><u>Citizens expect</u> a stable economy and public authorities that are alert and effective in combating crises (2011-05-09)</p> <p>This is something very important: <u>Citizens want</u> a stronger coordination of economic and financial policies among the countries of the euro area (2011-02-14)</p>
	Draghi	<p><u>Citizens also expect</u> from Europe common answers to the common challenges which all euro area countries are facing (2012-04-26)</p> <p><u>Citizens</u> closely follow the elections of ministers they would previously have never heard of (2012-09-11)</p> <p><u>Citizens need to be in basic agreement</u> that, within a monetary union, certain economic models are no longer possible (2012-09-11)</p> <p><u>Citizens</u> and markets are too often unsure about our capacity to act jointly in a spirit of common responsibility (2016-02-02)</p>

Therefore, the shift from ‘responsibility’ to ‘accountability’ in the execution of the monetary function is partially fuelled by the perception of a new audience by the organization, that was not considered in the initial framings of the ECB activity (Roth, Gros, & Nowak-Lehmann, 2012).

Being independent: Motivation for that. The independence of the ECB is one of the key pillars, on which the agreement of the countries to pool the monetary policies lays upon. The clause of independence assumes that performing its functions the ECB is guided solely by the granted mandate and is not subjected to other [political] influences. A noteworthy detail is that references to the ECB independence in the discourses of the organizational leaders have different motivations.

BE INDEPENDENT	Duisenberg	Scientific ground	<p>The ECB is financially independent. The independent status of the ECB <u>fits into the recent worldwide trend</u> of granting independence to central banks. This tendency is <u>evidenced by both practical experience and academic research</u> (1999-05-06).</p>
	Trichet	Mandate execution Credibility in the EMU and the euro Autonomous decision-making	<ul style="list-style-type: none"> - The Maastricht Treaty has written in stone that monetary policy is to be conducted with the aim of maintaining price stability and that the ECB is fully independent. These provisions were designed to ensure <u>long-lasting credibility to the euro</u> from its outset, by, in particular, <u>sheltering monetary-policy from external pressure</u> (2004-10-20). - In surveys of citizens throughout the euro area, an overwhelming majority regard price stability as an important goal. The ECB and the national central banks of the Eurosystem are independent so that they can <u>pursue this goal</u> (2009-02-17). - The ECB is independent. It does not allow any government, institution or lobby to influence its monetary policy decisions. The <u>citizens of Germany and the rest of Europe can rely on us</u> to continue to <u>deliver price stability</u> in the years to come (2010-03-30). - The ECB is fiercely independent and <u>takes all its decisions independently</u> of governments, social partners and pressure groups of any nature (2010-05-21).
	Draghi	Mandate execution (incl. new supervisory function) Compliance with requirements on transparency and accountability	<ul style="list-style-type: none"> - Throughout the crisis, the ECB has undertaken a series of measures to pursue its mandate of price stability, including <u>unconventional measures such as the ones just described</u>. To carry out its tasks, the ECB enjoys a high degree of independence under the EU treaties (2014-11-27). - The ECB enjoys a high degree of independence in the international comparison, which is matched by <u>stringent transparency and accountability requirements</u> (2013-12-11) - In addition, the ECB as supervisor will enjoy operational independence, as foreseen by <u>the Core Principles of the Basel Committee on Banking Supervision</u> with which it will be <u>compliant</u> (2012-11-26).

Duisenberg emphasizes the scientific ground of the decision on the ECB independence, while Trichet and Draghi provide more elaborated accounts, explaining importance of this feature for the mandate fulfillment. Trichet focuses on the credibility of the ECB and the European single currency, that is achieved when a central bank takes policy decisions independently of political winds. When the financial crisis hits the EMU, Trichet explicitly defends the autonomy of the decision-making, stating that the ECB is ‘fiercely independent’. In the discourse of Draghi the ECB independence is treated as already achieved, as something that the bank ‘enjoys’. Besides, in the framings Draghi assimilates in reasoning with Duisenberg, emphasizing proven benefits of a central bank independence. At the same time, the two leaders differ in the supporting evidence of the claim – for Draghi it is supported by globally accepted principles of transparency and accountability, rather than scientific facts as in the case of the first ECB leader.

Representing the EMU: Building relationships. The Treaty mandates the ECB to represent the EMU, entailing that the organization needs to position itself vis-à-vis other constituencies in the European and global framework. In the discourse of the first leader, Duisenberg, this function is enacted by stating the ECB membership in different organizations. Trichet instead emphasizes the relational connections of the organization using phrases ‘build cooperation’, ‘establish relations’, ‘acquire reputation’, framing this activity as an important and positive achievement. Draghi does not refer to this function.

Duisenberg	Participate	The ECB also participates in the work of the G-7, the G-10, the Bank for International Settlements and the OECD (1999-01-18) The ECB currently participates in the meetings of international organisations, such as the International Monetary Fund (IMF), the Organisation for Economic Co-operation and Development (OECD) and the Bank for International Settlements (BIS), and different fora, such as the G7 (2001-06-07) ...the ECB to participate in the work of its relevant committees and working groups as a separate member of the European Community delegation alongside the Commission (2000-09-27)
		The ECB participates in this Group, which is led by the National Bank of Belgium (NBB) (2006-10-09) In particular, the ECB participated in joint action with the Federal Reserve and the Swiss national Bank (2008-01-11)
Trichet	Acquire reputation	The ECB has acquired a reputation for moving interest rates in a steady and persistent fashion over time (2009-08-28)
	Cooperation	In preparation for this historic moment, the ECB has greatly appreciated its cooperation with the National Bank of Slovakia over the last couple of years (2008-09-23) The ECB values the fruitful cooperation that has developed with Národná banka Slovenska over the last couple of years (2008-09-24) Third, the ECB has strengthened its cooperation with other central banks, in particular by coordinated steps to provide USD liquidity (2008-10-02)
	Establish relations	...that the ECB has established excellent working relations with the Central Bank of Cyprus over the last couple of years (2008-01-22) During its first ten years the ECB has developed excellent relations with its environment here in Frankfurt, be it with the institutions of the city or with the population (2008-09-17) ...that the ECB and the Bank Al Maghrib have well established bilateral relations , as well as close contacts in a multilateral framework (2010-10-20)

With regards to the dynamics of the function use, it is relevant as well to consider the entities mentioned in the discourses of the leaders (Figure 2). Compared to the other incumbents, Trichet refers to a larger number of organizations, individuals, institutions, programs etc. This dynamic, accompanied by the Trichet's emphasis of the importance of the ECB relational connections mentioned before, reflects that the organization 'gains weight' in a broader environment. It probably corresponds to the stage of organizational evolution, when relational patterns become crucial for organizational legitimacy. The next ECB President, Draghi, while mentioning many entities does not emphasize the relational function, as he does not perceive the need to justify and underline this aspect of organizational activity.

Infusion of the advisory function into the reporting one. The Treaty assigns both reporting and advisory functions to the ECB. In framings of the mandate the reporting function is associated with a verb 'to publish' ['report', 'decision', 'statement'], and the advisory one is expressed in words 'advise' and 'opinion', that the ECB 'delivers/submits/offers' to different parties (Table 1). In the discourse of Duisenberg advisory and reporting functions are linguistically separated with the use of different

vocabulary, as described above. The second organizational leader, Trichet, separates the functions during the most of his term, however, in the beginning of 2011 an ‘opinion’ becomes a new publishable output of the organization. This way the advisory function starts to be infused into the reporting one. This trend strengthens in the discourse of Draghi, who in a regular way distinguishes between two outputs that the ECB publishes, ‘data’ and ‘guidance’.

PUBLISH	Duisenberg	Report/information/study/statement	In September this year, the ECB published a progress report (200-11-30). Moreover, the ECB has just published its first edition of the Monthly Bulletin, and will publish an Annual Report (1999-01-27). As you might be aware, the ECB published , on 5 January 1999, a consolidated opening financial statement of the Eurosystem, and subsequently, on 12 January, the first weekly financial statement (1999-01-19)
	Trichet	Report/statistics/set of indicators Opinion	Last year, for the first time, the ECB published a set of indicators on the state of integration of euro area financial and banking markets (2006-07-14). Last week the ECB, like the Commission, published the first Convergence Report dealing with these countries together with Sweden (2004-10-28). Finally, since the end of 2006 the ECB has published monthly harmonised competitiveness indicators for all euro area countries (2008-04-25). The ECB published yesterday its opinion on the proposals made by the European Commission (2011-02-24)
	Draghi	Data/Variety of data Guidance	The ECB regularly publishes a variety of data on the execution of monetary policy operations and the liquidity conditions of the Eurosystem (2014-11-27). The ECB has published guidance to banks on NPLs and a draft addendum, currently subject to public consultation (2017-10-17)

Therefore, viewed dynamically, the advisory function is systematically infused in the reporting one. While there is no complete substitution of the latter, as the ECB continues to publish reports and data, the semantic shift that accompanies the reporting responsibilities of the organization is crucial for understanding the evolution of its identity. Framing organizational output as ‘opinion’ or ‘guidance’ rather than ‘report/statistics/data’, inherently entails that the produced documents are more prescriptive in their nature. While reporting aims to deliver information [difference in degree of analytical elaboration between data/information and report is not a part of our argument here], advising projects imperative for action on the entities it addresses. As such, infusion of the advising features in the reporting function in reality shows that the ECB takes more agentic stance on the EMU, shaping and directing its development.

Identity dynamics: from managing to governing

Accountable organization. The semantic shift in the ECB framework of actions involves the infusion of the accountability rationale. As a result, the monetary policy execution and partially the motivation for bank independence is interpreted in the view of bank accountability. The emergence of ‘citizens’ and their expectations in the discourse of the ECB leaders (see above) adjusts the organizational communication and frames the accountability trend.

The impact of the financial crisis on the banking system is well-documented in literature. It initiates a ‘linguistic turn’²⁵ in the banking literature, that explores the effects of the central banks’ communication on markets. To a lesser extent a link between banks and citizens is established. Schmidt (2014) underlines the challenges for European and national constituencies in framing the discourse, that arise from the need to navigate between markets and citizens, especially during the sovereign debt crisis. Navigational channel might be especially narrow for central banks.

Consulting the Eurobarometer²⁶, a public opinion survey of the European Commission, that includes a question on trust in the European institutions, we observe that for the ECB there is a distinct turning point in the citizens’ trust around September 2008 (Figure 6). Thus, when the consequences of the financial crisis resonate in Europe, the ECB faces a new dynamic – the loss of citizens’ trust. It results in the discourse update by the ECB leaders [references to citizens in Figure 2], do they adapt the organizational communication with respect to these stakeholders, and organizational ‘accountability’ becomes a reflection of these dynamics.

Insert Figure 6 about here

25 we use the term by analogy with ‘linguistic turn’ in organization studies (Alvesson & Kärreman, 2000) to emphasize the recent interest in language in the banking literature

26 <https://ec.europa.eu/commfrontoffice/publicopinion/index.cfm>

Active organization. The change of the reporting function that with time includes more aspects of advising, allows the organization to output documents of more prescriptive nature. The advice, that in the Treaty framings is often accompanied by the phrase ‘if consulted’ and is considered occasional, starts to be provided on a regular basis. Thus, issuing guidances, the ECB takes a more proactive stance on the EMU and directs the environment even if not consulted.

The dynamics of a predicate ‘to be’, that intrinsically features the organizational identity, shows similar trend (Figure 7).

Insert Figure 7 about here

The attributes, that accompany the predicate in the discourses of the leader differ and reflect the dynamics of organizational identity. Duisenberg emphasizes that the ECB is a responsible institution. Trichet focuses on its independence and predictability, and builds the relational dimension of the organization, defining it as ‘supportive’, ‘successful’ and ‘recognized’. Draghi emphasizes the capabilities of the organization for action, describing the ECB as ‘active’, ‘accountable’ and ‘ready’. The organizational features, that the leaders emphasize, significantly differ and are greatly affected by situations the organization deals with in each period of incumbency. Establishing connections between particular events and organizational responses is not in the scope of the study, however, we mark that this link exists and shapes the identity dynamics.

Similar meaning is revealed in a typical expression of the ECB leaders’ discourse, ‘to stand ready to’.

STAND READY TO	Duisenberg	Support and participate	<p>...the ECB stands ready to assist them, in close cooperation of course with all the other EU authorities involved and in particular with the Commission (2000-09-25).</p> <p>...that the European Central Bank and the national central banks are standing ready to support the normal functioning of markets and relevant operational systems (2001-09-14)</p> <p>The ECB stands ready to participate fully in, and contribute to, international policy discussions (1999-01-18)</p>
	Trichet	Support	<p>In those and other areas of statistics, the ECB also stands ready to serve the needs of the European Commission and other users (2004-04-28)</p> <p>The ECB stands ready to support such an experiment (2008-02-14)</p> <p>As I mentioned to your Committee, the ECB stands ready to place the necessary resources and expertise at the service of supporting the ESRB, in very close collaboration with the national central banks (2009-10-01)</p> <p>The ECB stands ready to further contribute to the challenging work that is still ahead of us in the development of this framework (2011-03-22)</p>
	Draghi	Act/do/adapt/assume responsibility	<p>...that the ECB would stand ready to act with its technical infrastructure and know-how as an agent for the EFSF in carrying out its market operations (2011-12-21)</p> <p>Within our mandate, the ECB is ready to do whatever it takes to preserve the euro (2012-07-27)</p> <p>...that the ECB stands ready to adapt its communication policy where deemed necessary (2013-12-12)</p> <p>...that the ECB will be ready to assume its supervisory responsibilities in November 2014 (2013-12-17)</p> <p>In particular, the ECB is ready for all contingencies following the UK's EU referendum (2016-06-23)</p>

While in words of Duisenberg and Trichet the organization is ready to provide a support in different matters, i.e. assist an action initiated elsewhere, in the discourse of Draghi the ECB stands ready to initiate an action itself and go to extremes to accomplish it. Phrases ‘underline ability and determination’ and ‘undertake initiative/measure’, quasi-military verbs ‘launch’, ‘deploy’, ‘mobilize’ are characteristic for the discourse of Draghi and do not appear in the speeches of the first two leaders (see Appendices 1 and 2). As such, the organization is perceived to play a more active role in shaping the environment.

Rise of the governing dimension. While the ECB evolves into a more accountable and active organization, the core premise of the organizational mandate remains unchanged. The organizational leaders incessantly state that the guiding rationale of the ECB actions is price stability in the EMU. Therefore, the dynamics of organizational identity are shaped by the perception of the ECB role in fulfilling the core claim of the mandate (‘to ensure price stability’), rather than altering this claim. Thus, means to achieve the end, rather than the end itself.

The ECB was established as a body of the EMU managing monetary policy. It was endowed with certain characteristics and assumed to execute particular functions, that were suitable for fulfillment of the mandated task. Over the course of 20 years, the ECB evolves into an *active organization*, that is able to go to the extremes to accomplish the entrusted

mission. This way, relying on the mandated advisory function, the ECB promotes its vision on how to accomplish the task of price stability delivery, actively guiding the EMU (Chang, 2017). From a managing entity the organization evolves into a governing one, that defines the appropriate course of action.

Framing the responsibilities not only as task accomplishment (*responsible organization*), but as answerability for the performance to a certain audience (*accountable organization*), the ECB acknowledges a new category of stakeholders, the citizens, and inserts it into the discourse. This is especially striking considering a technocratic logic taken as a basis of the ECB functioning, that would ensure no distribution of gains/losses between the countries within the EMU (Chang, 2017). The involvement of the citizens in the discourse of the ECB is a turning point of the identity dynamics, as it shows the understanding of a new role of the organization, that is aware of the citizens' needs and thus responsible for the social well-being. Therefore, the conception of governance over a social system replaces the logic of the technical execution of the task, and allows the ECB identity to evolve from managing to governing.

DISCUSSION

In the study we explore the dynamics of organizational identity, deconstructing the scope of action that an organization performs. Drawing on the case of the European Central Bank (ECB), we analyze the discourse of its leaders, who state what the organization *does*. We find that they act within the functions, mandated to the central bank, but translate them differently in action. As a result, with time the ECB comes to be defined as a governing, rather than managing organization, whereas its core mission remains unaltered.

Studies accounting for the endurance of organizational identity, initial ones (Albert & Whetten, 1985) and reinvigorated (Ravasi & Schultz, 2006; Anteby & Molnár, 2012), as well

as accounts of identity change (Fiol, 2002; Ravasi & Phillips, 2011) show that both aspects are crucial for understanding identity. As such, Gioia et al. (2000) call for a more comprehensive view on identity, that shifts the focus on identity dynamics and gains an insight in its *continuity*.

The concept of *organizational identity* has developed through the clarification of what it is not (Corley et al., 2006), producing the terms that orbit around the notion, such as (organizational) strategy, image, culture and reputation. These terms are in reciprocal relationships with organizational identity (Ashforth & Mael, 1996; Brown, 2006; Gioia et al., 2000; Ravasi & Schultz, 2006), however, their effects differ in terms of its endurance and change. While strategy and image are conducive to identity shifts, culture and reputation contribute more to its stability. Thus, understanding identity dynamics, it is important to account for cumulative influences of these ‘disturbants’ and ‘stabilizers’, that makes up the continuity of organizational identity.

Our study shows that the enacted framework of the ECB action is in line with the functions granted at the moment of its establishment. Ravasi & Canato (2010) show how certain technological features of products, adopted initially by an organization, become constitutive of its identity. In our setting the framework, mandated to the ECB, allowed to emerge a managerial type of organization, that fulfills the assigned task of monetary policy execution. These initial choices and arrangements create a particular *organizational culture*, that refrains the ECB from changing (Ravasi & Schultz, 2006) and features effects of path-dependency (David, 1994) on identity, ensuring its endurance.

At the same time, the dynamics of the ECB identity are shaped by the external dimension, bringing to focus an *organizational image* and *reputation*. During the crisis a reputational question *What do stakeholders actually think of organization?* (Brown, 2006) reveals a fading trust of the citizens in the ECB, raising the challenge that the leaders are to

take up. While both reputation and image take in account the external opinion about organization, they are crucially distinct in terms of endurance. Organizational image assumes transient impressions of limited events, while reputation is built over time and reflects a more lasting and cumulative assessment (Gioia et al., 2000). As such, the reputation of the ECB, anchored to its core mission [to ensure price stability], has a stabilizing effect on the organizational identity. Instead, the ECB image is altered in the discourse and projects a more accountable and active organization, that is up to the task. Reciprocal influences between image, reputation and identity (Gioia et al., 2000; Brown, 2006) tolerate change of the ECB identity only in narrow margins, altering thus its self-perception in role, rather than role itself.

The ECB identity comes to be stabilized by the organizational culture and reputation, and destabilized by the organizational image and related strategy. Thus, the end - its core mission, stays unaltered, while the means to reach the end allow to define the organization within the governing framework. In the result, continuity with past understanding, revealed in culture and reputation makes identity 'appear stable to perceivers, even as it changes' (Gioia et al., 2000, p. 72). The continuity of organizational identity is critically supported by organizational leaders, who, navigating the complexity of the organizational environment, have capacity to maintain organizational coherence, wholeness and purposiveness (Kraatz, 2009).

TABLE 1. Functions mandated to the ECB in the Maastricht Treaty

Function	Representative actions	Wordings of the Treaty
advising	submit/deliver opinion	The ECB may submit opinions to the appropriate Community institutions or bodies or to national authorities on matters in its fields of competence. If the ECB considers that a national central bank has failed to fulfil an obligation under this Statute, it shall deliver a reasoned opinion on the matter after giving the national central bank concerned the opportunity to submit its observations.
	make recommendations	the ECB shall make recommendations and deliver opinions
	offer/give advice	The ECB may offer advice to and be consulted by the Council, the Commission and the competent authorities of the Member States on the scope and implementation of Community legislation relating to the prudential supervision of credit institutions and to the stability of the financial system. The ECB shall give advice in the preparations for the abrogation of the derogations specified in Article 109k of this Treaty.
executing the EMU monetary policy	to authorize bank notes issue	The ECB shall have the exclusive right to authorize the issue of bank notes within the Community.
	issue bank notes	The ECB and the national central banks may issue such notes .
	respect practices of bank note issue	The ECB shall respect as far as possible existing practices regarding the issue and design of bank notes .
	perform specific task of prudential supervision	the ECB may perform specific tasks concerning policies relating to the prudential supervision of credit institutions and other financial institutions with the exception of insurance undertakings.
	take decision	the ECB shall take decisions necessary for carrying out the tasks entrusted to the ESCB under this Treaty and the Statute of the ESCB
	require to hold minimum reserves	the ECB may require credit institutions established in Member States to hold minimum reserves on accounts with the ECB and national central banks in pursuance of monetary policy objectives
	establish principles	The ECB shall establish general principles for open market and credit operations carried out by itself or the national central banks, including for the announcement of conditions under which they stand ready to enter into such transactions.
	ensure task implementation	The ECB shall ensure that the tasks conferred upon the ESCB under Article 105(2), (3) and (5) of this Treaty are implemented either by its own activities pursuant to this Statute or through the national central banks pursuant to Articles 12.1 and 14.
	take task of the EMI	The ECB shall take over those tasks of the EMI which, because of the derogations of one or more Member States, still have to be performed in the third stage.
	have recourse to NCBs	To the extent deemed possible and appropriate and without prejudice to the provisions of this Article, the ECB shall have recourse to the national central banks to carry out operations which form part of the tasks of the ESCB.
	hold and manage assets	The ECB and national central banks may hold and manage the assets referred to in this Article. The ECB may hold and manage IMF reserve positions and SDRs and provide for the pooling of such assets. The ECB shall have the full right to hold and manage the foreign reserves that are transferred to it and to use them for the purposes set out in this Statute.
	enter into operations for administrative purposes	In addition to operations arising from their tasks, the ECB and national central banks may enter into operations for their administrative purposes or for their staff.
	conduct banking transactions, market operations, borrowing and selling	The ECB and national central banks may conduct all types of banking transactions in relations with third countries and international organizations, including borrowing and lending operations The ECB and national central banks may acquire and sell spot and forward all types of foreign exchange assets and precious metals
regulating the EMU	make regulation	...the ECB shall make regulations to the extent necessary to implement the tasks defined in Article 3.1, first indent, Articles 19.1, 22 and 25.2 of the Statute of the ESCB and in cases which shall be laid down in the acts of the Council referred to in Article 106(6) ...the ECB may make regulations , to ensure efficient and sound clearing and payment systems within the Community and with other countries.
	contribute to harmonization	The ECB shall contribute to the harmonization , where necessary, of the rules and practices governing the collection, compilation and distribution of statistics in the areas within its fields of competence.
being independent	not seek instruction from other parties	When exercising the powers and carrying out the tasks and duties conferred upon them by this Treaty and the Statute of the ESCB, neither the ECB, nor a national central bank, nor any member of their decision-making bodies shall seek or take instructions from Community institutions or bodies, from any government of a Member State or from any other body.
	enjoy privileges and immunities to perform tasks	The ECB shall enjoy in the territories of the Member States such privileges and immunities as are necessary for the performance of its tasks under the conditions laid down in the Protocol on the Privileges and Immunities of the European Communities
reporting	decide publish	The ECB may decide to publish its decisions, recommendations and opinions.
	address/draw/publish report	The ECB shall address an annual report on the activities of the ESCB and on the monetary policy of both the previous and current year to the European Parliament, the Council and the Commission, and also to the European Council. The ECB shall draw up and publish reports on the activities of the ESCB at least quarterly.
	report to the Council	the ECB shall report to the Council in accordance with the procedure laid down in Article 109j(1)

Function	Representative actions	Wordings of the Treaty
representing the EMU	decide on representation of the ESCB	In the field of international cooperation involving the tasks entrusted to the ESCB, the ECB shall decide how the ESCB shall be represented.
	participate in international institutions	The ECB and, subject to its approval, the national central banks may participate in international monetary institutions.
	act as fiscal agent	The ECB and national central banks may act as fiscal agents for the entities referred to in Article 21.1.
	have legal personality and enjoy legal capacity	The ECB which, in accordance with Article 106(2) of this Treaty, shall have legal personality , shall enjoy in each of the Member States the most extensive legal capacity accorded to legal persons under its law
	establish relations	The ECB and national central banks may establish relations with central banks and financial institutions in other countries and, where appropriate, with international organizations
	be subject to the liability regime	The ECB shall be subject to the liability regime provided for in Article 215 of this Treaty.
disciplining	impose fine or periodic penalty payments	the ECB shall be entitled to impose fines or periodic penalty payments on undertakings for failure to comply with obligations under its regulations and decisions
	levy penalty interest and impose other sanctions	In cases of non-compliance the ECB shall be entitled to levy penalty interest and to impose other sanctions with comparable effect.
	institute proceeding	The ECB may institute proceedings in the cases and under the conditions laid down in this Treaty.

TABLE 2. Data used for analysis

ECB President	Tenure	N speeches
<i>Wim Duisenberg</i>	01.07.1998 – 01.11.2003	97
<i>Jean-Claude Trichet</i>	01.11.2003 – 31.10.2011	293
<i>Mario Draghi</i>	01.11.2011 – 31.10.2019	186

FIGURE 1. Top 10 entities mentioned in the discourse of the ECB leaders as sentence subjects

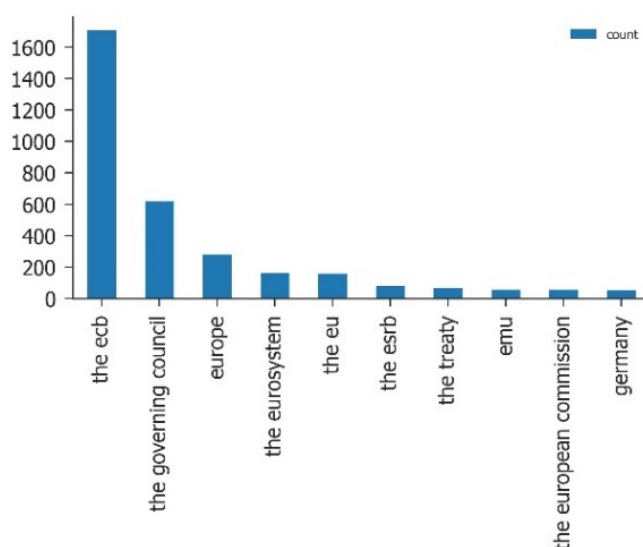


FIGURE 3. Steps to build a framework of organizational action

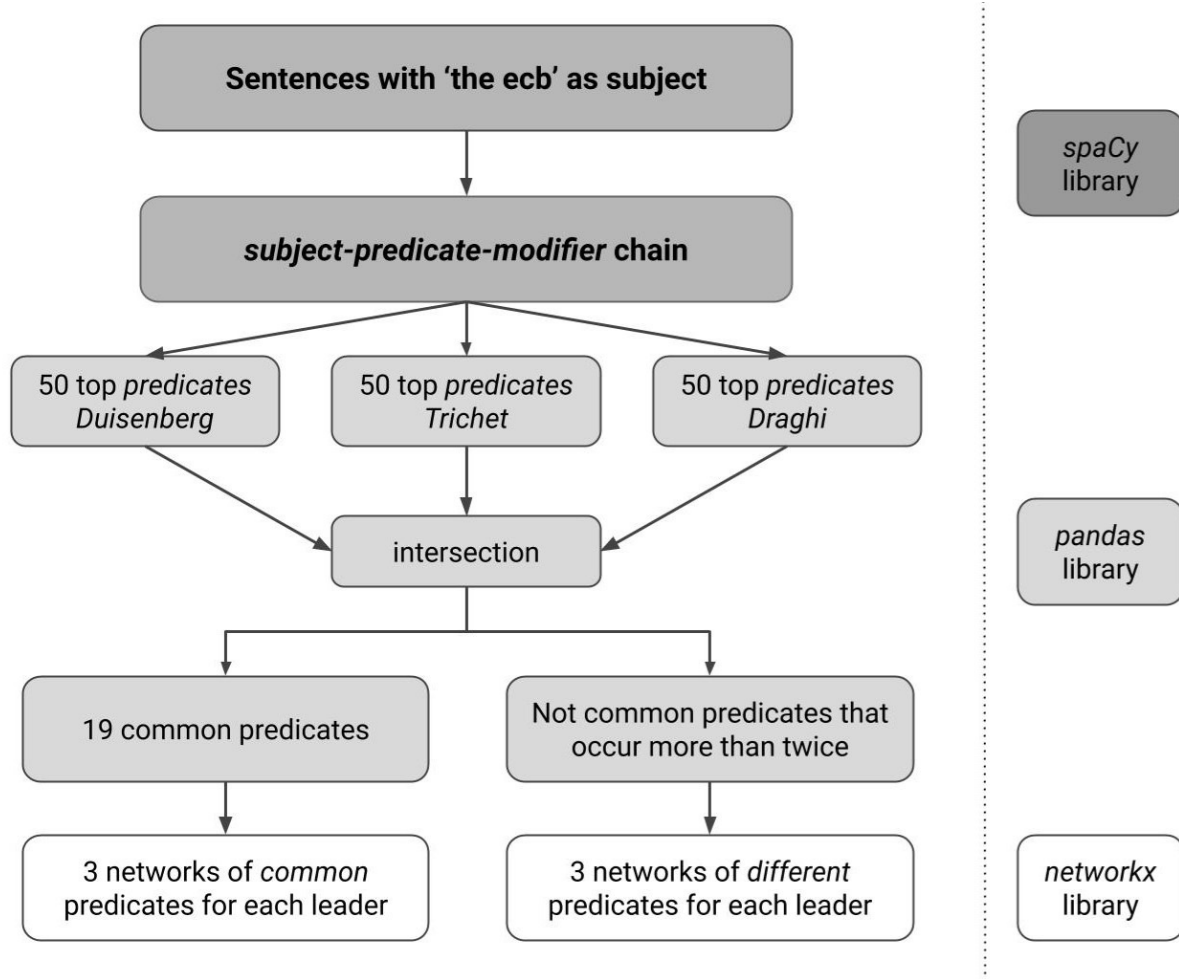


FIGURE 4. Logic of comparison between individual frameworks of organizational action

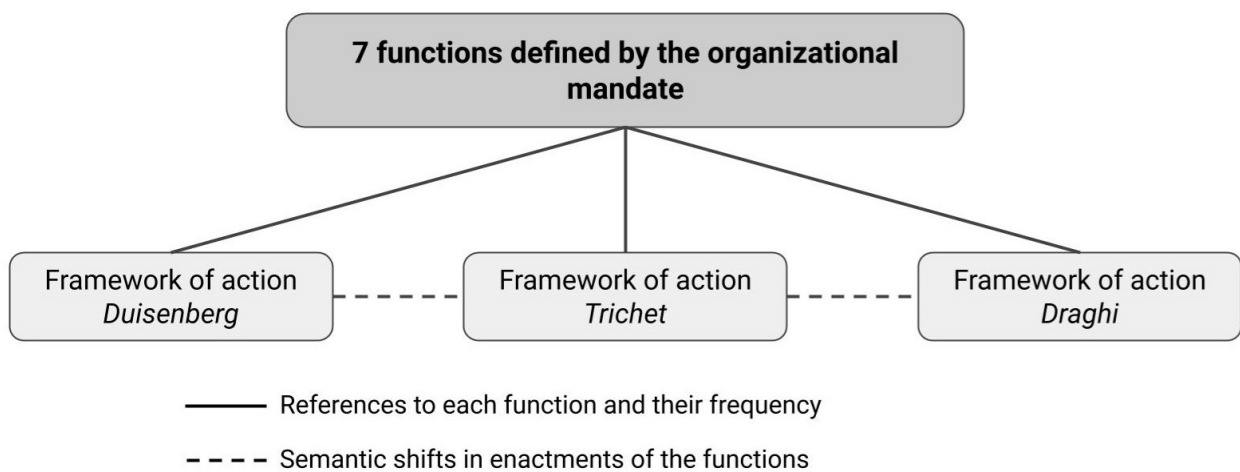
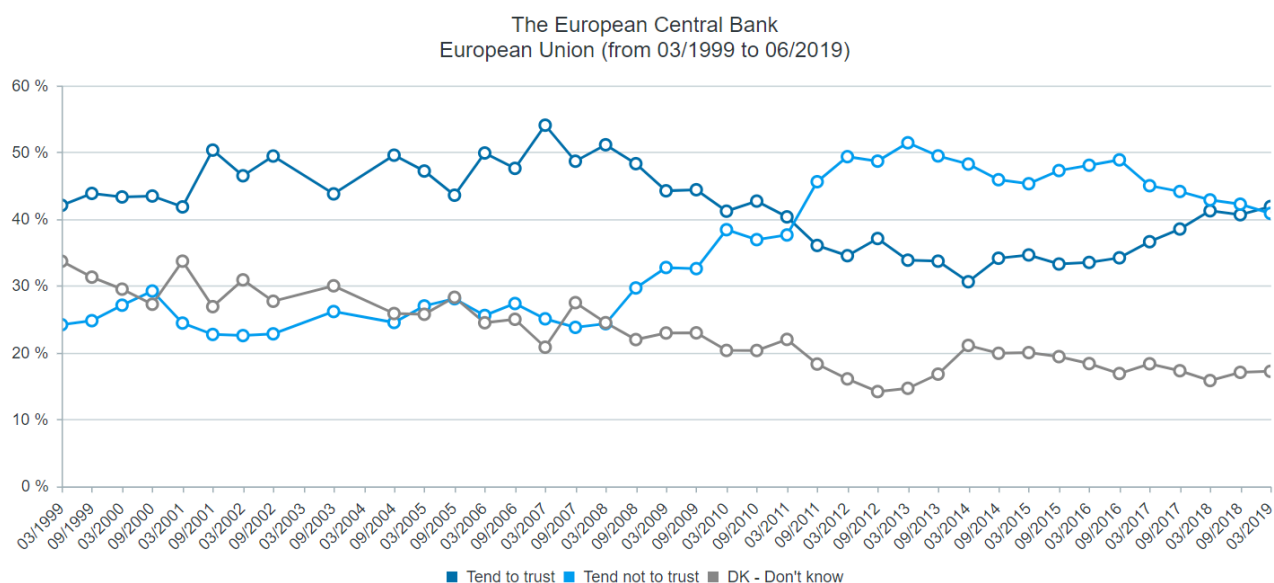


FIGURE 5. Enactment of the functions by the ECB leaders (+/- references to a function in the discourse and their frequency; semantic features of the enactment)

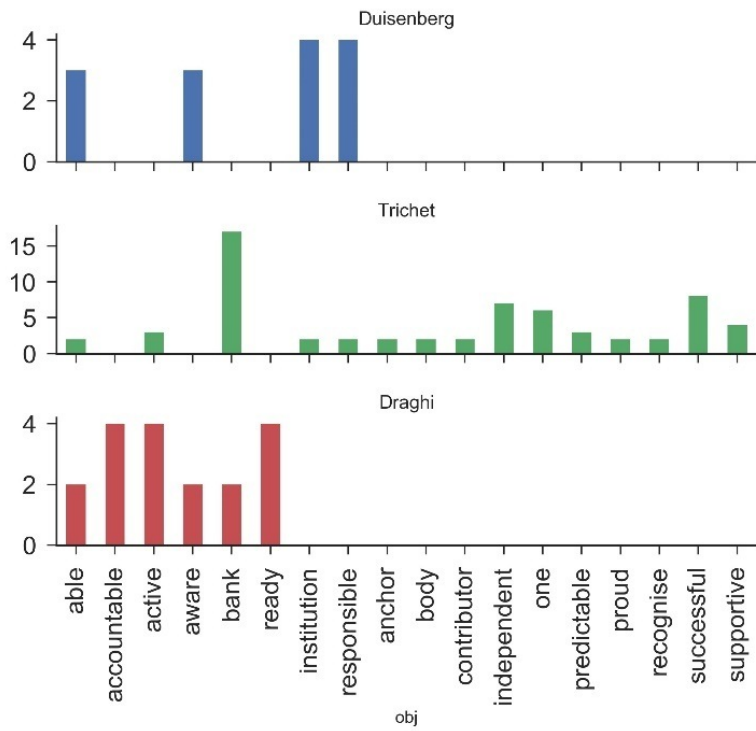
Function	Duisenberg	Trichet	Draghi
executing the EMU monetary policy	+	+	+
	'responsibility'	'responsibility'	'responsibility [supervision]' 'accountability'
regulating the EMU	-	-	-
being independent	+	+	+
	Scientific base	Mandate fulfilment, credibility	Mandate fulfilment, norms of accountability
representing the EMU	+	+++	-
	'participate in'	'reputation', 'relations'	
advising	+	+	+
reporting	+	+	+
	'report'	'opinion'	'guidance'
disciplining	-	-	-

FIGURE 6. Survey of public opinion on the ECB: Do you tend to trust it or not to trust it? (aggregated for the European Union)



Source: Eurobarometer

FIGURE 7. Most frequent compliments of the verb 'to be' in discourse of the ECB leaders



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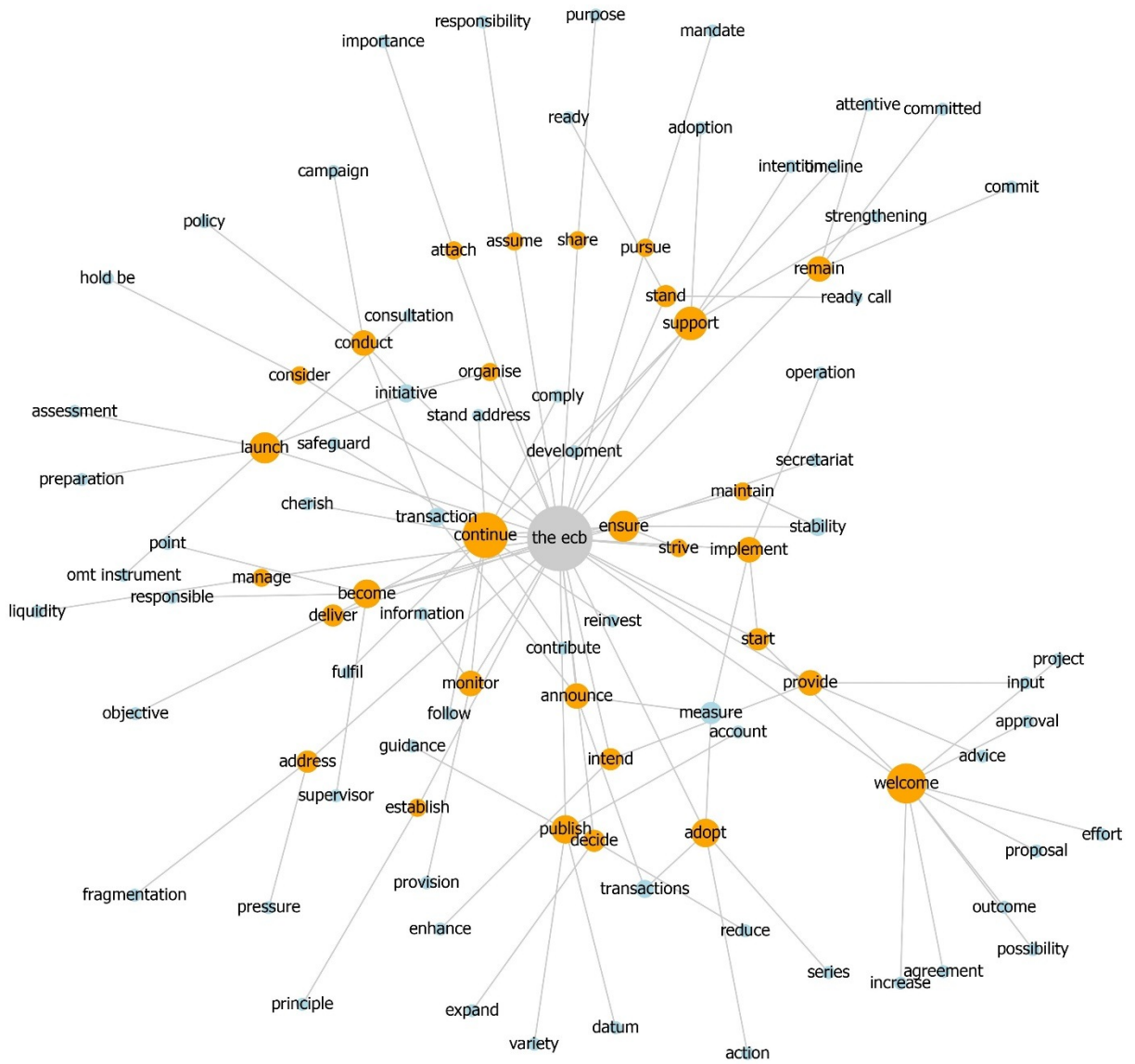
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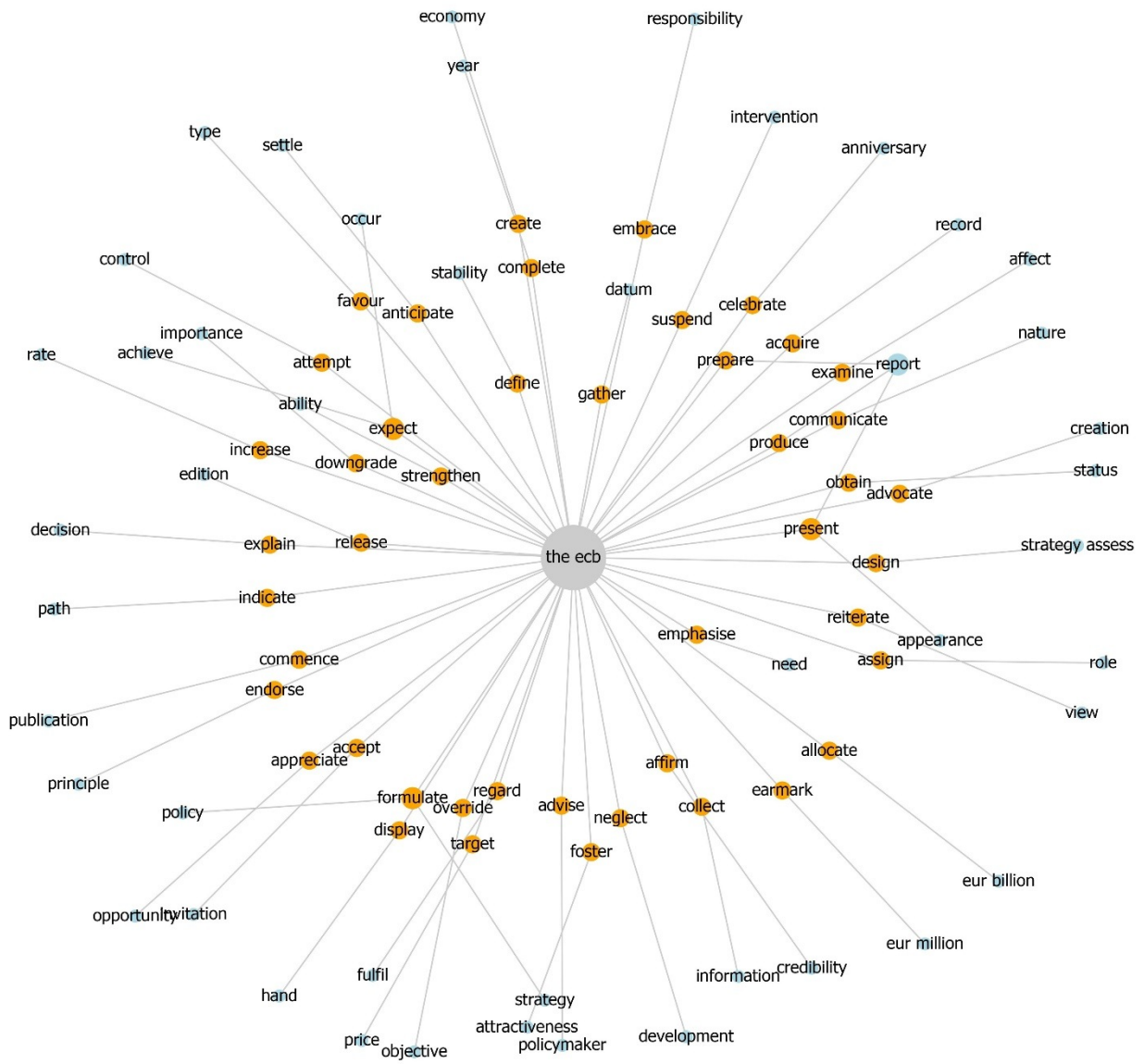


DRAGHI



APPENDIX 2. Different predicates of the 'ecb' in discourses of the ECB leaders

DUISENBERG



Estratto per riassunto della tesi di dottorato

L'estratto (max. 1000 battute) deve essere redatto sia in lingua italiana che in lingua inglese e nella lingua straniera eventualmente indicata dal Collegio dei docenti.

L'estratto va firmato e rilegato come ultimo foglio della tesi.

Studente: Arina Tsirkuleva _____ matricola: 956330 _____

Dottorato: in Management _____

Ciclo: 32 _____

Titolo della tesi :The Economic and Monetary Union in Construction: Tackling Fault Lines in Language _____

Abstract:

In three papers we explore the dynamics of the Economic and Monetary Union (EMU) at different levels within a theoretical agenda of sociological institutionalism.

The first paper understand the macro-level dynamics and treats the Eurosystem as a field. Literally taking the EU motto *united in diversity*, we inquire into the dynamics of the field's pluralism in the last 20 years.

The second paper investigates the micro-level of the EMU dynamics and focuses on the moment of institutional change. We study the microfoundations of the EMU transformation into the banking union, taking dynamically the enactments of its key role, President of the ECB.

The third paper studies institutional dynamics at the meso-level. Exploring the identity dynamics of the central organization of the EMU, the European Central Bank, we show that it evolves along with the social context around it.

Firma dello studente