The institutionalization process of governance in a Virtual Business Community: a case study

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Abstract
Virtual Business Communities (VBC) are market organizations, supported by Information and Communication Technology (ICT), that improve business interactions and the exchange of information and knowledge in virtual networks of organizations. In the inter-organizational context of a VBC, governance is related to division of work and distribution of power and responsibility. Only a small number of authors studied this process and they reported problems faced with the governance of VBC. Therefore, our research question is “how the dynamics of the institutionalization process of governance contributes to develop VBC?” In order to answer this research question, we based our study on Institutionalization Theory and on Tolbert and Zucker’s (1996) model. We performed a case study in an agricultural value chain. The main results of our study are the challenges faced during the institutionalization process of governance, concerning the stages habitualization, objectivation and sedimentation, and the analysis of legitimacy in these stages.

Keywords
Virtual business community; governance, institutionalization process; challenge; case study.

1. Introduction
Virtual Business Communities (VBC) are market organizations, supported by Information and Communication Technology (ICT), that improve business interactions and the exchange of information and knowledge in virtual networks of independent organizations (Markus & Loebbecke, 2013; Koh & Kim, 2004). These organizations, including buyers, sellers, suppliers, financial agents and R&D institutions, work together in an inter-organizational setting to create value. Value of a VBC is created by 24/7 operations, wider availability of product information, information concerning new supply and distribution channels, lower transaction costs for buyers and sellers, and availability of better information related to transactions and the market (Spaulding, 2010).

The development of VBC requires that participating organizations change their business culture from competition to collaboration and that these organizations redesign their business
processes, including governance (Hackney, Burn, & Salazar, 2004). In this inter-organizational context, governance means the way in which work is divided between organizations and means that power and responsibility are adequately distributed (Croteau & Dubsky, 2011). The analysis of the institutionalization process of governance is particularly important if the object under study are VBC with an associative form of orchestration – there are no powerful companies at the core of the community that provide ICT and governance (Markus & Loebbecke, 2013), but associations of independent organizations with voluntary membership. As in this situation there are no preexisting structures ready to assume governance, the study of the institutionalization process could reveal important factors that contribute to the development of VBC.

The development of governance processes and structures in VBC represent changes in the previously existing economic and social order. It can be approached adopting the Institutional Theory (DiMaggio & Powell, 1983; Scott, 2008; Mignerat & Rivard, 2009; Orlikowski & Barley, 2001), and comprises institutionalization processes, legitimation and isomorphism. In an inter-organizational setting the process of institutionalization implies in creating meanings of value by individuals, who start to accept a common definition of social reality, i.e., of how things are or should be to improve collaboration.

We realized a literature review using the databases EBSCO, Emerald, Science Direct and Web of Science, and adopting “institutionalization”, “process” and “governance” as keywords. Only a small number of references studying institutionalization processes and, more specifically, institutionalization processes of governance in inter-organizational settings was found (Barley & Tolbert, 1997; Berger & Luckmann, 1967; Burns & Scapens, 2000; Colyvas & Powell, 2006; Kennedy & Fiss, 2009; Phillips, Lawrence & Hardy, 2004; Tolbert & Zucker, 1996; Zilber, 2002). Some of these authors reported problems to be faced during the institutionalization process. Others highlighted challenges concerning the implementation of VBC related to governance processes and structures: the development of participants’ attitude of contribution and of providing resources in order to build a critical mass and to match community and business needs (Spaulding, 2010), and the construction of a community leadership (which may be associated to governance and an orchestrator) (Markus & Loebbecke, 2013; Provan & Kenis, 2007).

Therefore, our research question is “how the dynamics of the institutionalization process of governance contributes to develop VBC?” In order to answer this research question, we based our study on the model of Tolbert and Zucker (1996), who divided the institutionalization process of governance into three stages: habitualization, objectivation and sedimentation. We studied the institutionalization process of governance in a setting based on volunteer membership of organizations and on associative organization, in an agricultural value chain – the CN-Flores/APROESC case (Comunidade de Negócios de Flores – Associação de Produtores de Plantas Ornamentais do Estado de Santa Catarina), located in Southern Brazil. Associative based agricultural VBC are particularly important in developing countries where access to price and market information allows those with information (often wholesalers) to take advantage of those without (often growers) (FAO, 2013).

Our research project started on May 2015. This paper presents a case study aiming to analyze the institutionalization process of governance in the VBC CN-Flores/APROESC (www.cn-flores.com.br). Governance represented the main challenge we faced in a previous study concerning the development of a VBC (Hoppen & Rigoni, 2014).
2. Theoretical Background
The main conceptual elements that support our study are governance of VBC and its institutionalization process.

2.1 Governance of VBC
VBC are ICT supported market organizations that improve business interactions and exchange of information and knowledge in virtual networks of independent organizations (Markus & Loebbecke, 2013). ICT enables information and services tailored to specific needs of the community. Independent organizations include buyers, sellers, suppliers, financial agents and R&D institutions. Value of a VBC is created by 24/7 operations, wider availability of product information, information concerning new supply and distribution channels, lower transaction costs for buyers and sellers, and availability, for community purposes, of better information related to transactions and the market (Spaulding, 2010). The emergence of VBC is also related to increasing informational complexity and to the development of ICT with different potentialities of use (Gulati, Puranam, & Tushman, 2012).

To join the inter-organizational setting of a VBC, organizations are asked to change their business culture from competition to collaboration and it implies that these organizations need to redesign their business processes, including governance (Hackney, Burn, and Salazar, 2004). Collaboration implies that organizations mitigate individual and collective actions, losing part of their autonomy when doing business (Albers, 2010).

In this context, governance may be defined as the way in which work is divided between organizations and means that power and responsibility are adequately distributed (Croteau & Dubsky, 2011). Ostrom (1990, 2010) characterize governance as coordinating mechanisms of joint actions to encourage actors (the independent organizations) to generate collective results when working in a VBC. Thus, governance is needed to guide relations between actors belonging to a community, to mitigate the consequences of conflicts of interest (individual x collective). It is also needed to define the instruments by which management, organization, regulation and control are operated, and to make participating organizations act as desired (Albers, 2010; Ostrom, 1990). Consequently, governance is associated with the definition of a set of formal and informal rules and procedures related to the organization of the cooperation between the actors involved (Albers, 2010; Ostrom, 2010; Provan & Kenis, 2007; Van De Ven & Walker, 1984).

Based on Albers (2010), Provan and Kenis (2007), and Ostrom (2010), in our study governance refers to the definition of norms and rules, to monitoring mechanisms and to rules for incentives and penalties, capable of ensuring compliance with the standards set by participants to achieve their common goals. This approach leads to the design of the coordination of inter-organizational relationships.

The development of governance processes and structures in a VBC induces changes in business processes and relationships. These changes and the development of governance may be approached adopting the Institutional Theory (DiMaggio & Powell, 1983; Scott, 2008), particularly by the institutionalization processes.

2.2 The institutionalization process
Institutional Theory (DiMaggio & Powell, 1983; Scott, 2008; Suddaby, 2010) supports the study of institutionalization and legitimation processes, and of isomorphism.
Institutionalization process means the action of creating meanings of value by individuals, who accept a common definition of social reality, i.e., of how things are or should be (Tolbert & Zucker, 1996). This process is based on the transformation of beliefs and actions in social behavior and this behavior is then, progressively, consolidated in norms and routines (Meyer & Rowan, 1977). These elements provide meaning and legitimacy, at different organizational and inter-organizational levels, to the social behavior generated (Scott, 2008).

Tolbert and Zucker (1996) developed a seminal model to analyze institutionalization processes (Figure 1). Stemming from innovation and changes, this process is based on three stages: habitualization, objectification and sedimentation. Materialization of these stages is obtained when the organization adopts routines and rules that guarantee legitimacy (Suchman, 1995).

![Figure 1: Stages of institutionalization](image)

**Figure 1:** Stages of institutionalization  
Source: (Tolbert & Zucker, 1996, p. 182)

Habitualization involves the generation of new structural arrangements in response to specific problems shared by organizations or groups of organizations (Tolbert & Zucker, 1996). Thus, habitualization occurs when the idea of creating new structures (innovation in Figure 1) is shared by decision-makers who may adopt new structures after considering it attractive and feasible. The main factors driving organizations to innovation and development of new habits are: i) technological changes; ii) new legal provisions; and iii) market forces arising from economic factors, following a process often based on isomorphism (DiMaggio & Powell, 1983). Structures are created on the basis of norms and procedures that regulate them. If these new structures are insufficiently shared, they had low legitimacy and may be characterized as pre-institutionalized.

The objectification stage refers to the diffusion of the structure created to solve organizational problems (Tolbert & Zucker, 1996). Objectification involves the development of some degree of social consensus among decision-makers concerning the value of a structure, and the increasing adoption of the structure by organizations on the basis of that consensus. Consensus comes from two sources: monitoring of competitors and theorizing. Monitoring consists of an analysis of competitors and their efforts to increase competitiveness. New structures are adopted by managers based on a practical cost/benefit view. Theorizing, in turn, occurs through the action of the so-called champions (people with material interest in the new structure), who act in two ways. Firstly they act to generate public recognition related to the existence of a common organizational problem to be solved by a group of organizations. Secondly, champions diagnose sources of dissatisfaction and failure, and present specific structures as the solution to that problem, using successful examples (Tolbert...
Institutionalization involves a sedimentation stage where structures are adopted (Tolbert & Zucker, 1996). At this stage, the diffusion of the structure will take place via groups of adopters and is based on its perpetuation for a considerable period of time. Important factors contributing to this process are perception of positive results emanating from the structure, defense of the new structure by interest groups, and low resistance of groups opposed to changes. Once these elements obtained, the institutionalization process is consolidated with the sedimentation of organizational routines and rules that ensure stability and legitimacy of the new organizational structure (Barley & Tolbert, 1997; Tolbert & Zucker, 1996).

Institutionalization processes continuously provide legitimacy to organizations, adapting structures and organizational practices to environmental changes. Therefore legitimacy is an important element of the institutionalization process of new organizational forms (Scott, 2008; Suddaby & Greenwood, 2005).

Suchman (1995, p. 574) defines legitimacy as the “widespread perception or assumption that the actions of an entity are desirable, proper, or appropriate within some system of norms, values, socially constructed beliefs and definitions”. According to Scott (2008), legitimacy is grounded on the three pillars of institutions: regulative, normative and cognitive. Concerning the regulatory pillar, the foundation of legitimacy is compliance with standards, rules, laws, monitoring, rewards and sanctions. Regarding the normative pillar, the basis of legitimacy is related to values and social norms, which specify how things should be done. Thereafter, an organization is legitimate when it meets certain standards of behavior considered adequate by its community. Finally, legitimacy for the cognitive pillar concerns shaping beliefs, values and networks created and consolidated by social actions. Therefore, an organization is considered legitimate when it meets a shared framework of meanings created by its members.

Recent studies adopted the model of Tolbert and Zucker (1996) to analyze institutionalization processes in organizations (Laïfi & Josserand, 2015; Mejabi, Azeez, Adedoyin, & Oloyede, 2015; Zerdani, 2015). But this model was also criticized. For example, Dambrin, Lambert and Sponem (2007) questioned the systematic and linear nature of the institutionalization process in the model. Despite the critics related to Tolbert and Zucker's model, we considered it a suitable theoretical base as it includes stages that could be associated to the development process of governance in VBC.

The framework presented at Table 1 synthetizes the concepts previously developed.

<table>
<thead>
<tr>
<th>Categories</th>
<th>Elements</th>
<th>Definitions</th>
<th>Variables</th>
<th>References</th>
</tr>
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<tbody>
<tr>
<td>Habitualization</td>
<td>Innovation</td>
<td>Actions producing changes, causing rupture or continuous improvements when ameliorating products and services.</td>
<td>- Technological changes; - Market forces; - Legislation</td>
<td>Tolbert &amp; Zucker (1996).</td>
</tr>
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<td></td>
<td>VBC (represents a new organizational structure)</td>
<td>Online community developed to promote business transactions and information exchange among economic agents of one or more industries.</td>
<td>- Voluntary membership; - The technological platform coordinates relationships</td>
<td>Markus &amp; Loebbecke (2013), Gulati, Puranam &amp; Tushman (2012).</td>
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<td></td>
<td>Norms and procedures</td>
<td>The organizational structure defines a set of formal or informal procedures and norms to coordinate activities.</td>
<td>- Norms and regulations; - Monitoring norms and regulations; - Incentives and sanctions</td>
<td>Albers (2010), Ostrom (1990), Provan &amp; Kenis (2007), Tolbert &amp; Zucker (1996).</td>
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3. Research Method

APROESC is an association of 26 small and midsized ornamental plant growers, founded in 1988 in the Southern Brazil state of Santa Catarina. The objective of this association is to represent the interests of its members and to promote production and commercialization of plants. APROESC had no previous experience with VBC but was motivated to support the development of one. Some members participated as ornamental plants suppliers at the CNFlores implementation accomplished with another association of flower growers in the neighbor state of Rio Grande do Sul (Hoppen & Rigoni, 2014). Members of APROESC showed interest on the concept of VBC and on the supporting technological platform (www.cnflores.com.br) researchers had developed. Moreover, a recent market research of the Brazilian flower and ornamental plants market developed by SEBRAE – Serviço Brasileiro de Apoio às Micro e Pequenas Empresas (SEBRAE, 2015) emphasized, as critical success factors, the need of cooperation to complement the offer of products, the development of online business, and the need to build social reputation.

We analyzed the institutionalization process of governance based on a longitudinal case study that began on August 2014, with regular activities starting on May 2015 and which is still under development. The main actions we performed with leaders and members of the association were: visits to organizations members of APROESC (August 2014, September 2014, May 2015), meetings with the purpose to define needs and requirements (September 2014, April 2015, September 2015), training members on the platform (continuous), improving the technological platform based on new requirements (April-May 2015), presentation of the VBC on the main ornamental plants fair of Santa Catarina (May 2015), prospection of new clients willing to engage in CN-Flores (July-August 2015), discussion of governance processes and structure (April 2015, September 2015), and follow-up meetings concerning the development and adoption of the VBC (September and November 2015).

Table 1: Institutionalization of governance: categories and elements.

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<tbody>
<tr>
<td>Positive impacts</td>
<td>Impact of use should be positively related to the performance obtained with the new structure.</td>
<td>- Demonstrable results associated with the new structure.</td>
<td>Tolbert &amp; Zucker (1996); DiMaggio &amp; Powell (1983).</td>
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<tr>
<td>Interest group advocacy.</td>
<td>Continued support of groups that benefit from structure change.</td>
<td>- Support the continuity of the structure.</td>
<td>Tolbert &amp; Zucker (1996); DiMaggio &amp; Powell (1983).</td>
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<tr>
<td>Regulative legitimacy</td>
<td>Legal sanctions based on the creation of norms and rules, on monitoring them, and on imposition of rewards and sanctions.</td>
<td>Compliance with legal requirements.</td>
<td>Scott (2008); DiMaggio &amp; Powell (1983); Tolbert &amp; Zucker (1996).</td>
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<tr>
<td>Normative legitimacy</td>
<td>Morally governed, centered on values, beliefs and social norms accepted, shared or enforced by the group.</td>
<td>Shared conventions and behavior patterns.</td>
<td>Scott (2008); DiMaggio &amp; Powell (1983); Tolbert &amp; Zucker (1996).</td>
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Information collected was based on semi-structured interviews, field notes concerning visits, meetings and our participation on an ornamental plants fair, and documents and reports of APROESC and the ornamental plants industry. In November 2015 we achieved 12 semi-structured interviews (with an average duration of 1 hour) with executives or owners of ornamental plant growing organizations, members of APROESC. The 21 questions of this research instrument concerned governance and its institutionalization and legitimation process and were based on the conceptual model developed (Table 1).

Transcribed interviews, field notes and documents were codified based on our conceptual model. Codified information was then submitted to content analysis adopting the categories and elements shown at Table 1. This codification and analysis process was supported by the software Sphinx iQ2® (www.sphinxbrasil.com). To improve reliability, the codification and analysis process was performed by one researcher and reviewed, independently, by a second one. Resulting incongruities were then discussed and aligned.

4. Results
The analysis of the main stages of the institutionalization process of governance in the VBC CN-Flores – APROESC, based on the categories and elements of the conceptual framework, is presented in this section.

4.1 Habitualization stage
Three elements were used to analyze the habitualization stage: innovation, VBC, and norms and procedures. With regard to innovation, the new organizational structure is mostly driven by two factors: changes in business processes caused by IT (8 respondents); and pressures imposed by the globalized market (4 respondents). This perception is evidenced by the words of one respondent: "... we want to sell more and selling channels and processes are changing. I still think the best sales channel is the face to face ... but we cannot overlook the new channels made possible by technology ..." (Interviewee 1).

CN-Flores constitutes an organizational arrangement formed by new structures and procedures, based on collaboration, to develop new business processes and to ease information exchange. These new forms of trading in the flower and ornamental plant market is an example of contemporary trade relations. Innovation in the use of technology, products and services are factors highlighted as success factors of the industry and its participants in the market study performed by SEBRAE (SEBRAE, 2015), and mentioned by two interviewees, who already use a platform (OLX, www.olx.com.br/). This VBC represented a reaction to specific problems faced by flower and ornamental plants producers, characterizing a typical pre-institutionalization situation concerning the habitualization stage.

With the aim to coordinate the use of the VBC, members of APROESC and researchers defined norms and procedures to be adopted by community members in order to adapt to the characteristics of the VBC and its new organizational format. The admission process of new members of the community and the coordination of the cooperative relations promoted within this new structure are examples. Also, CN-Flores membership is voluntary and partnership is not formalized. According to interviewees, this is perceived as a positive factor. They argued that, if there were formalities, ornamental plants growers would be afraid to join the new community. But, on the other hand, three respondents believe that the absence of more formal norms and regulations inhibit the use of VBC for business. Although tolerating voluntary membership, this group demands standards to regulate minimal offers of products using the
digital platform, arguing that this could encourage its use and generate a higher volume of interactions and thus promote the process of coordination of relations at CN-Flores.

With regard to the coordination of relationships via VBC, we observed that it is almost non-existent, given the low volume of transactions carried out by the digital platform. The adhesion process and the coordination of relationships in the community are related to standards and procedures. We analyzed the creation of operating rules, the development of ways to monitor them, and the definition of incentives and sanctions as basic instruments of governance. Our analysis revealed that CN-Flores’ operating rules are grounded on internal regulations of APROESC, which favor the direct participation of members on changes on structure, regulations and procedures. Some interviews confirmed these arrangements. Moreover, rules such as the requirement to be associated with APROESC to join CN-Flores and the exclusion of product prices when offering or demanding products on the platform are examples of norms developed during the implementation of the community. Also, two respondents, with experience on other digital platforms, missed specific rules for the use of CN-Flores. They cited the example of maintenance of offers and demands of products that should contain "deadlines" for renewal or exclusion.

4.2 Objetification stage
The analysis of this stage is based on inter-organizational monitoring, social consensus, and diffusion of the structure. CN-Flores is still under implementation and is something new in the Brazilian ornamental plants sector, representing one of the reasons that no information from the VBC was obtained related to monitoring offers, demands and sales of products. In contrast, observations made during meetings with APROESC members revealed that monitoring market trends of the industry matters, the adoption of ICT as a critical success factor for the ornamental plants sector being an example.

The low volume of transactions and the absence of competitors having adopted a VBC also influenced information gathered concerning the value of CN-Flores. Field observations and answers of respondents show that there is no consensus among members concerning this perceived value, capable of promoting its adoption. Thus, the diffusion of the structure of the VBC as a new organizational format is not enough widespread among members, undermining legitimacy. As Scott (2008) stated, new organizational forms become more legitimate when widespread among members of the organization. Although members of the VBC are not opposed to its adoption, concretely they could not perceive gains in earnings resulting from the use of the platform.

4.3 Sedimentation stage
This stage is analyzed based on three elements: positive impacts, resistance of groups, and interest group advocacy. The analysis of positive impacts assumes that the results of using the new structure should be positively associated with organizational performance. When asked about how they evaluate the results of CN-Flores, all interviewees answered that they did not perceived an increase of benefits. They also mentioned that the use of CN-Flores is still limited: "... there's no way to assess what has no significant results, we use it [the platform] very little ..." reported Interviewee 11.

Asked about resistance groups and if these groups should somehow be related to the low volume of trades on CN-Flores, all interviewees (12) answered that they did not perceived resistance groups or individuals to CN-Flores. But there are those who show to be
uncomfortable concerning the use of technology (four respondents). When asked about the reasons for the low adoption of CN-Flores in business, four respondents answered that they did not know the real reasons, and eight answered that CN-Flores is being replaced by the use of WhatsApp: "... because with WhatsApp I've shot a picture of the product ordered, I sent it, the customer immediately received the images of the products and we agreed on the price, everything is there ..." (Interviewee 9). In the opinion of six respondents, WhatsApp® is more dynamic and convenient. Using this tool, members reveal that it is more legitimate than the adoption of the digital platform of the VBC.

With regard to advocacy of an interest group, observations from the field and meetings organized by APROESC show that, although there is no rejection of CN-Flores, there are no fervent defenders in favor of its use. During the interviews five respondents stated that CN-Flores should become more dynamic and that improvements need to be made: "... I believe that CN-Flores should continue, but it needs to reinvent itself ... it must be more convenient ... people nowadays no longer use the computer, they use a mobile phone that does everything the computer already did." (Interviewee 5). As the platform of the VBC may be used on multiple smartphone devices, this statement reflects resistance to changes on business processes and information availability of some community members, representing a major challenge of the institutionalization process.

4.4 Legitimacy
Concerning the regulative base of legitimacy, it was found that CN-Flores is legitimate. The platform software and the brand CN-Flores® developed are both registered at the National Institute of Industrial Property. A formal agreement between APROESC (its members automatically being members of the VBC under development) and our University (R & D institution) has also been signed. In addition, during the interviews, respondents' clearly stated that CN-Flores is anchored on the rules of APROESC (norms and internal regulations).

With regard to the normative basis of legitimacy, the elements identified are related to sharing ethical values in business, concerning APROESC and CN-Flores. According to eight interviewees, it is important to convey confidence at individual and group level: "If there is no ethics in the actions of the members, there is no trust, if there is no trust, actors start to "hide their game" [to reduce collaboration]." (Interviewee 3). But in any of the three steps of the institutionalization of governance we could observe new behavioral patterns of VBC members’ based on rules and social norms, excepting those concerning APROESC.

5. Discussion and Conclusion
In our case study, governance of the VBC is still at a low level of institutionalization, remaining mostly in the habitualization stage. But the analysis we performed revealed important challenges.

Although CN-Flores was perceived as a potential innovation by members of the community, its use is still incipient. The incipency of use interferes on the perception of the members concerning elements that change processes and structures currently practiced in their organizations. These changes are important to the implementation of the community because they influence the institutionalization process of the governance required to coordinate the activities of the VBC (Ostrom, 1990).
Another evidence is the lack of social consensus on the perception of the value provided by CN-Flores. According to Tolbert and Zucker (1996), value of a VBC is an important element to foster the institutionalization of governance, contributing to its dissemination. As CN-Flores is a voluntary community, there are no mandatory requirements of doing business using the digital platform. These characteristics contribute to a scenario where there is no commitment to spread the use of CN-Flores among all members (DiMaggio & Powell, 1983). This is worsened by the lack of concrete results obtained with the use of the VBC that could demonstrate the value generated. For this reason some members of the community defended the need to set a minimum level of offers and demands on the platform as a way to develop the exchange of information and to promote the process of coordination of relations at CN-Flores. This action could support the process of governance institutionalization (Barley & Tolbert, 1997; Tolbert & Zucker, 1996), showing the need of an ongoing process of advocacy accomplished by champions or interest groups to improve legitimacy.

The relevance of information exchange using a VBC is based on isomorphism (DiMaggio & Powell, 1983) and on the assessment made by Koh and Kim (2004). This was challenged by the absence of a higher number of transactions on the digital platform. Therefore its potentialities have not been concretely revealed, preventing the spread of arguments in favor of the adoption of the VBC. Furthermore, even if a resistance group has not been explicitly identified, arguments in favor would ease acceptance and give support to the continuity of the VBC. One of the consequences of the absence of information exchange is that the institutionalization process of governance did not reached the stage of sedimentation.

Finally, the low level of institutionalization reflects negatively on the legitimacy process of CN-Flores. Externally, the VBC is legally supported by its formal registration. But the community is not yet well known by a large number of potential customers. Internally, legitimacy is grounded on the standards of APROESC and the formal agreement established between APROESC and the R & D team. This results in an external and internal legitimacy which proved to be insufficient. The low adoption level revealed an environment with absence of history and a collective identity, necessary for members to identify common goals and community practices (Wry, Lounsbury, & Glynn, 2011). This also constrains the acceptance, sharing, internalization and imposition of social consensus by the group, with the adoption of behavioral patterns to be followed by all VBC members (Scott, 2008).

With regard to the three steps of the institutionalization process and particularly the dynamic process of legitimation, our main theoretical contribution concerns the addition of legitimacy to Tolbert and Zucker’s conceptual model of institutionalization processes. Perceptions shared by all VBC members concerning the social construction of norms and values are important to give legitimacy to governance structures and processes. Therefore, legitimacy constitutes one of the most important challenges of the institutionalization process of governance that contributes to the adoption of VBC.

Some limitations are inherent to this study, since its aim was to analyze the institutionalization process of governance in a VBC still under construction. These limitations should be addressed in future studies. Our research group, for example, already started actions to foster a more intensive use of CN-Flores. Following the institutionalization framework we structured, these actions should result in perceived value and consolidate the stages habitualization and objectualization of the institutionalization process of governance, and also consolidate legitimacy.
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