

Institutional Saturation: Conceptualizing the Core Dimensions of Organizational and Governance Decline

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Abstract

The Theory of Saturation (Manafi, 2025, 2026) proposes that systems operate within finite processing and regulatory capacities, beyond which excessive input leads to progressive functional decline. While prior research has explored saturation at the emotional and cognitive levels, the concept of institutional saturation remains underdeveloped and lacks a clear multidimensional structure. Addressing this gap, the present study aims to conceptualize and identify the core dimensions of institutional saturation within organizational and governance contexts.

Adopting an exploratory qualitative research design, data were collected through semi-structured interviews with seven experts in organizational studies, public administration, and governance. The data were analyzed using qualitative content analysis, allowing patterns and themes to emerge inductively from expert insights. The findings reveal that institutional saturation is a progressive, multidimensional construct consisting of four core dimensions: institutional overload, institutional attenuation, institutional degradation, and institutional breakdown. Institutional overload reflects the accumulation of policies, mandates, and priorities beyond organizational capacity; institutional attenuation captures the defensive shift toward rigidity and rule reliance; institutional degradation highlights the deterioration of decision-making and coordination functions; and institutional breakdown represents the erosion of legitimacy, accountability, and enforcement capacity.

These findings contribute to the literature by extending the Theory of Saturation to the institutional level and providing a structured framework for understanding how governance systems respond to excessive complexity and demand. By identifying the core dimensions and their underlying mechanisms, this study offers a foundation for the development of measurement scales and empirical validation. Furthermore, it provides practical insights for diagnosing and managing institutional dysfunction, thereby opening new avenues for research in organizational theory, public administration, and governance studies.

Keywords: *Theory of Saturation, Institutional Saturation, Institutional Overload, Institutional Degradation, Governance, Organizational Complexity*

1. Introduction

The Theory of Saturation, recently introduced by Manafi (2025, 2026), has emerged as a novel meta-framework for understanding how systems respond to excessive input and increasing

complexity. At its core, the theory posits that all systems—whether psychological, organizational, or societal—operate within finite processing and regulatory capacities. When the volume, intensity, or complexity of inputs exceeds these limits, systems enter a state of saturation, in which functionality begins to deteriorate and adaptive mechanisms are progressively weakened. This perspective provides a unifying lens for examining a wide range of phenomena traditionally studied in isolation, including overload, fatigue, inefficiency, and systemic breakdown.

Within this framework, saturation is not a singular or uniform construct but manifests across multiple domains depending on the nature of the system involved. Manafi (2025, 2026) identifies four analytically distinct yet structurally analogous types of saturation: emotional saturation, cognitive saturation, institutional saturation, and systemic saturation. Emotional saturation refers to the overload of affective processes, leading to diminished emotional responsiveness and regulatory failure. Cognitive saturation captures the limits of information processing, resulting in reduced clarity, impaired decision-making, and executive dysfunction. Extending beyond the individual level, institutional saturation reflects the saturation of formal organizational and governance structures, while systemic saturation represents saturation at the macro level of interconnected systems and networks.

Among these, institutional saturation represents a particularly critical yet underexplored domain. Contemporary institutions operate in environments characterized by increasing complexity, rapid policy cycles, expanding mandates, and heightened societal expectations. While these developments are often associated with progress and responsiveness, they also generate cumulative pressures that may exceed institutional capacities. As policies accumulate, procedures expand, and coordination demands intensify, institutions may experience diminishing effectiveness, slower decision-making, and reduced adaptability. Over time, these pressures can erode not only operational performance but also legitimacy, accountability, and public trust.

Understanding the dimensions of institutional saturation is therefore of significant theoretical and practical importance. From a theoretical perspective, it extends the Theory of Saturation beyond individual-level processes and contributes to a more comprehensive, multi-level understanding of how complex systems function under conditions of excess. From a practical standpoint, identifying the core dimensions of institutional saturation enables scholars and practitioners to systematically diagnose emerging dysfunctions within organizations and governance systems. Without a clear conceptualization, many symptoms of saturation—such as bureaucratic rigidity, decision inertia, and coordination failures—remain fragmented and are often addressed in isolation rather than as part of a broader systemic condition. By articulating its underlying dimensions, institutional saturation can be more effectively tracked, measured, and managed.

Accordingly, the primary aim of this study is to explore and conceptualize the core dimensions of institutional saturation through an exploratory qualitative approach. Drawing on expert insights, this research seeks to identify the key patterns and mechanisms through which institutional saturation manifests in organizational and governance contexts. By developing a multidimensional framework, the study provides a foundational basis for future measurement scale development and empirical validation. Ultimately, this work contributes to advancing the Theory of Saturation by extending its application to institutional systems and offering a structured approach for assessing and monitoring saturation in complex organizational environments.

2. Literature Review

The concept of saturation has been implicitly examined across multiple disciplines to describe situations in which systems become overwhelmed by excessive input, resulting in reduced performance and effectiveness. Building on this premise, the Theory of Saturation (Manafi, 2025,

2026) proposes that systems operate within finite processing and regulatory capacities, and that exceeding these limits leads to progressive functional decline. Although the theory integrates insights from various domains, its underlying assumptions are consistent with established perspectives in psychology, organizational studies, and public administration.

Recently, several studies have applied the Theory of Saturation across different fields, including the works of Hojabri and Manafi (2026), Manafi and Ojaqi (2026), Manafi et al. (2026), Marefatnia and Manafi (2026), Klein and Manafi (2026), Samoylenko and Mazurkevich (2026), Samoylenko and Omam (2026), Mazurkevich and Samoylenko (2026), and Karimpouromam and Samoylenko (2026). These studies demonstrate the broad applicability of the theory and suggest promising new avenues for future research.

At the individual level, research on cognitive load demonstrates that human information-processing capacity is inherently limited, and that excessive informational input leads to overload, reduced learning, and impaired decision-making (Sweller, 1988, 2011, 2023). Similarly, attentional control theory suggests that high levels of stress and complexity consume cognitive resources, thereby reducing efficiency and increasing error rates (Eysenck et al., 2007). In parallel, studies on bounded rationality emphasize that decision-makers operate under constraints of limited information, time, and cognitive capacity, often resorting to simplified heuristics under conditions of overload (Simon, 1972; Kahneman, 2011). These perspectives collectively support the notion that systems—whether cognitive or organizational—are susceptible to saturation when demands exceed their processing capabilities.

In organizational and institutional contexts, related concepts have been explored under different terminologies. Research on bureaucracy and administrative systems has long highlighted the tendency for rules and procedures to expand over time, often resulting in rigidity and inefficiency (Weber, 1978; Merton, 1940). This expansion is frequently associated with risk aversion and a growing emphasis on compliance, which can limit flexibility and innovation. Similarly, the concept of “red tape” refers to burdensome rules and procedures that impose compliance costs without contributing to organizational goals, thereby reducing effectiveness and responsiveness (Bozeman, 2000). These studies provide indirect evidence of institutional overload and attenuation mechanisms consistent with saturation theory.

Decision-making in complex organizations has also been shown to deteriorate under conditions of excessive demand and uncertainty. Lindblom’s (1959) notion of incrementalism suggests that institutions often avoid large-scale decisions in favor of small, gradual adjustments, particularly when faced with complexity and ambiguity. While adaptive in some contexts, this tendency may also reflect decision inertia, where institutions become unable to respond effectively to rapidly changing environments. Furthermore, research on organizational silos and coordination failure highlights how fragmentation across units can undermine coherence and reduce overall system performance (Lawrence & Lorsch, 1967; Gulati et al., 2012). These findings align with the idea of institutional degradation, where core functions such as coordination and decision-making begin to deteriorate under sustained pressure.

At more advanced stages, prolonged strain on institutions can lead to broader governance challenges. Studies in public administration and political science have documented how excessive complexity, policy accumulation, and weak coordination can erode institutional legitimacy, reduce accountability, and weaken enforcement capacity (Fukuyama, 2013; Pierre & Peters, 2000). Declining trust in public institutions, selective implementation of rules, and increasing governance failures are often interpreted as signs of institutional dysfunction. From the perspective of saturation theory, these phenomena can be understood as manifestations of institutional breakdown, representing the culmination of prolonged overload and functional decline.

Despite these related strands of research, the concept of institutional saturation has not yet been explicitly defined or systematically examined as a unified construct. Existing studies tend to focus on isolated aspects such as bureaucratic rigidity, decision-making limitations, or coordination failures, without integrating them into a coherent theoretical framework. The Theory of Saturation offers a valuable opportunity to synthesize these fragmented insights by conceptualizing institutional dysfunction as a progressive, multidimensional process. Accordingly, this study seeks to build on prior literature by identifying and structuring the core dimensions of institutional saturation, thereby providing a foundation for its empirical investigation and measurement.

3. Method and Results

A qualitative research method was employed in this study between December 2025 and May 2026. Data were collected through semi-structured interviews with seven experts and academics from the European Union who had substantial professional and research experience working in Asia, Middle Eastern countries, and the American continent. Interviews were conducted both online and face-to-face, depending on the participants' availability and location.

The interview protocol was designed to explore institutional functioning under conditions of increasing complexity and demand. Although the interview questions did not explicitly refer to saturation, recurring patterns identified across participants' narratives revealed a consistent progression from overload to institutional decline and dysfunction. These findings provided empirical support for the theoretical framework of institutional saturation. In total, 6 questions were asked, which can be seen as follows:

Q1. How would you describe the current volume and complexity of policies, regulations, and organizational priorities in your field or institution?

Q2. To what extent do you think institutions have the capacity (resources, personnel, attention) to effectively implement and manage these demands?

Q3. How do institutions typically respond when demands increase—do they become more flexible or more rule-bound? Can you give examples?

Q4. How are decisions made under high levels of complexity or pressure? What challenges or patterns do you observe?

Q5. How effectively do different units, departments, or agencies coordinate and share information under these conditions?

Q6. What happens over time when institutions face sustained pressure and complexity? How does this affect trust, accountability, and overall functioning?

Table 1. Emergent Dimensions of Institutional Saturation from Expert Interviews

Dimension	Subdimensions	Description (Derived from Expert Narratives)	Illustrative Insights (Experts)	Example Measurement Items
Institutional Overload	Policy Proliferation; Mandate Expansion; Resource & Attention Dilution	Institutions experience an accumulation of policies and responsibilities that exceed their capacity to manage effectively	Experts described systems as “overloaded with reforms,” “constantly adding new priorities without removing old ones,” and “spreading resources too thin”	“There are too many policies to effectively implement.”“Our resources are stretched across too many priorities.”
Institutional Attenuation	Procedural Rigidity; Rule Reliance; Adaptive Suppression	Institutions respond to overload by becoming more rigid, standardized, and risk-averse, reducing flexibility and innovation	Experts noted a “checklist mentality,” “strict adherence to rules,” and “fear of deviation even when necessary”	“Processes in my organization are overly rigid.”“Following rules is prioritized over finding effective solutions.”
Institutional Degradation	Decision Inertia; Coordination Fragmentation; Information Distortion	Core institutional functions begin to deteriorate, including decision-making speed and coordination across units	Experts reported “endless delays,” “lack of coordination between departments,” and “information getting lost or filtered across levels”	“Decision-making in my organization is slow and delayed.”“Departments do not effectively coordinate with each other.”
Institutional Breakdown	Legitimacy Erosion; Enforcement Decay; Accountability Collapse; Normative Drift; Corruption Vulnerability; Operational Paralysis	Prolonged saturation leads to systemic failure, where institutions lose trust, enforcement capacity, and functional effectiveness	Experts highlighted “declining trust,” “rules applied selectively,” “lack of accountability,” and “inability to implement decisions effectively”	“There is a lack of accountability in my organization.”“Rules are not consistently enforced.”“The organization struggles to carry out its core functions.”

The analysis of the interview data revealed that institutional saturation emerges as a progressive and multidimensional process, unfolding through distinct yet interrelated stages. The first and most foundational dimension identified by the experts is **institutional overload**, which reflects the accumulation of policies, mandates, and organizational priorities beyond the institution's capacity to effectively process, implement, and resource them. Participants consistently emphasized the growing volume and layering of policies and regulations, often introduced without systematic consolidation or removal of existing frameworks. This phenomenon, described here as policy proliferation, creates an environment in which institutions are required to operate under an increasingly dense and sometimes contradictory set of rules. In parallel, experts highlighted the continuous expansion of institutional mandates, where new responsibilities are added without redefining or streamlining existing ones. This expansion contributes directly to a dispersion of limited resources, as attention, funding, and human capital are spread across an ever-widening range of priorities. As a result, institutions experience resource and attention dilution, leading to under-resourced implementation and growing gaps between formal objectives and actual performance.

As institutional overload intensifies, the findings indicate that organizations do not immediately collapse but instead enter a second phase characterized as **institutional attenuation**. This stage reflects a defensive adaptation, in which institutions respond to sustained pressure by reducing flexibility and increasing reliance on formalized structures. Experts frequently described a shift toward procedural rigidity, where processes become highly standardized, inflexible, and oriented toward compliance rather than effectiveness. In such environments, strict adherence to rules begins to take precedence over context-sensitive judgment, a pattern referred to as rule reliance or formalism. This reliance on rules serves as a mechanism for managing complexity and uncertainty but simultaneously limits the institution's capacity to respond dynamically to emerging challenges. Over time, this defensive posture leads to adaptive suppression, whereby the willingness and ability to innovate, experiment, or deviate from established procedures are significantly reduced. Institutions, in effect, become more predictable but less responsive, prioritizing stability over adaptability.

The continuation of these dynamics gives rise to the third dimension, **institutional degradation**, where the core functional capacities of the institution begin to deteriorate. At this stage, the effects of overload and attenuation become evident in the weakening of decision-making and coordination processes. Experts consistently reported the presence of decision inertia, characterized by delayed, slowed, or even paralyzed decision-making. This inertia is often driven by a combination of excessive procedural requirements, risk aversion, and the complexity of navigating overlapping mandates. At the same time, coordination fragmentation becomes increasingly pronounced, as different units, departments, or agencies operate in silos with limited alignment or communication. This fragmentation undermines institutional coherence and leads to duplication of efforts, conflicting actions, and inefficiencies. Compounding these challenges is the emergence of information distortion, where the flow and interpretation of information across hierarchical and functional layers become impaired. As information is filtered, delayed, or selectively transmitted, the institution's situational awareness declines, further reducing its capacity to make effective and timely decisions.

If these conditions persist, the institution ultimately enters the final and most critical stage of **institutional breakdown**, which represents the collapse of legitimacy, accountability, and enforcement capacity. Unlike earlier stages, breakdown is not a singular event but a multifaceted systemic failure encompassing several interrelated processes. One of the most prominent manifestations identified by experts is legitimacy erosion, reflected in declining trust among both internal actors and external stakeholders regarding the institution's authority, fairness, and effectiveness. This erosion is closely linked to enforcement decay, where the ability or willingness to apply rules consistently diminishes, resulting in selective or symbolic implementation. In such contexts, rules may formally exist but are no longer reliably enforced in practice.

Simultaneously, institutions experience accountability collapse, characterized by weakened oversight mechanisms, unclear responsibility structures, and a reduction in consequences for poor performance or misconduct. This creates an environment in which governance becomes increasingly opaque and difficult to evaluate. Another critical aspect of this stage is normative drift, where formal rules and procedures gradually lose their guiding role, and informal practices begin to dominate institutional behavior. As these informal practices expand, they create conditions that heighten corruption vulnerability, increasing the likelihood of opportunistic behavior, rent-seeking, and misuse of authority. Ultimately, these processes culminate in operational paralysis, where the institution becomes unable to effectively implement decisions, maintain order, or deliver its core functions.

Taken together, these findings suggest that institutional saturation unfolds as a structured and progressive process. It begins with the accumulation of excessive policies and mandates, which overwhelms institutional capacity and leads to overload. In response, institutions adopt defensive mechanisms that reduce flexibility and increase rigidity, marking the stage of attenuation. Over time, these adaptations contribute to the deterioration of essential functions such as decision-making and coordination, resulting in degradation. If unaddressed, this trajectory culminates in a breakdown of legitimacy, enforcement, and governance capacity. This process-oriented conceptualization not only aligns with the broader architecture of the Theory of Saturation but also provides a coherent framework for understanding how institutional dysfunction emerges and evolves under conditions of sustained complexity and demand. See Figure 1.

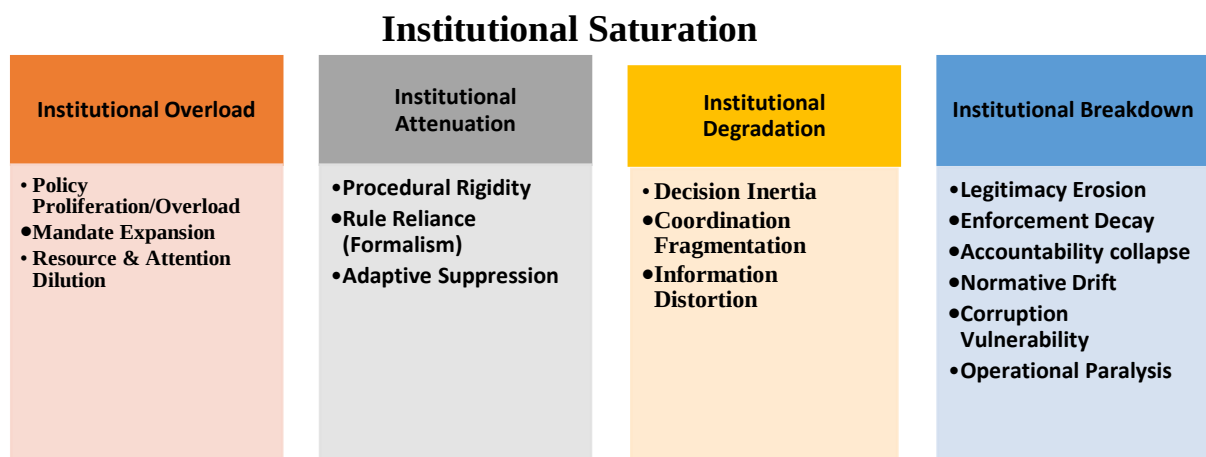


Figure 1. Institutional Saturation's Dimension

4. Conclusion

This study set out to explore and conceptualize the dimensions of institutional saturation within the broader framework of the Theory of Saturation (Manafi, 2025, 2026). By adopting an exploratory qualitative approach and drawing on expert insights, the findings demonstrate that institutional saturation is not a singular condition but a progressive, multidimensional process through which institutions respond to excessive complexity, demand, and accumulated mandates. In doing so, the study extends the application of saturation theory beyond individual-level phenomena and contributes to a more comprehensive understanding of how organizational and governance systems function under conditions of overload.

The results identify four core dimensions of institutional saturation: institutional overload, institutional attenuation, institutional degradation, and institutional breakdown. These dimensions reflect a sequential yet interconnected process. Institutional overload emerges as the initial stage, characterized by the accumulation of policies, mandates, and competing priorities that exceed institutional capacity. In response, institutions enter a phase of attenuation, adopting defensive mechanisms such as procedural rigidity and increased reliance on formal rules, which reduce flexibility and adaptability. As these conditions persist, core institutional functions begin to deteriorate, leading to degradation in decision-making and coordination. Ultimately, prolonged saturation culminates in institutional breakdown, where legitimacy, accountability, and enforcement capacity are significantly weakened, resulting in diminished governance effectiveness.

By integrating these dimensions into a unified framework, this study provides a structured lens through which institutional dysfunction can be understood as a systemic and evolving condition rather than a set of isolated problems. This conceptualization has important implications for both theory and practice. From a theoretical perspective, it advances the Theory of Saturation by establishing institutional saturation as a distinct yet structurally consistent type within a broader multi-level framework that includes emotional, cognitive, and systemic forms. From a practical standpoint, the identification of these dimensions offers a diagnostic tool for recognizing early signs of institutional strain, enabling policymakers and organizational leaders to intervene before saturation progresses to more severe stages.

Despite its contributions, this study is not without limitations. The findings are based on a relatively small sample of expert interviews, which, while appropriate for exploratory qualitative research, may limit generalizability. Future research is encouraged to build on this framework by developing and validating quantitative measurement scales, examining the relationships between institutional saturation and organizational outcomes, and exploring its dynamics across different sectors and cultural contexts. Additionally, comparative studies across the four types of saturation may further strengthen the theoretical integration and explanatory power of the model.

In conclusion, this study highlights the importance of understanding institutional saturation as a fundamental challenge in contemporary governance and organizational systems. As institutions continue to operate in increasingly complex and demanding environments, the ability to recognize, measure, and manage saturation will be critical for sustaining effectiveness, adaptability, and legitimacy.

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