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# Prestigious organizations and heterodox choice in institutionally plural contexts

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## Abstract

In unsettled fields with multiple ideal-typical institutional logics, why do organizations tend to weaken or conform to prevalent logic order? We argue that prestige –defined as a tribute paid by field members to a select few with valued distinctive traits– plays a determinant role in explaining institutional heterodoxy (i.e., the choice to stop instantiating dominant logics or start instantiating less prevalent logics). In unsettled fields, prestigious organizations adopt institutional heterodoxy to maintain their distinctiveness because they consider logics as means rather than constraining ends and because awarding bodies cannot impose strict obedience rules. Controlling for alternative explanations, a study of 165 French industrial design agencies (1989 to 2003) provides evidence that prestige favors the decision to undertake heterodox choices. This relationship is weakened when organizations diversify their expertise, is marginally reinforced when organizations have high-status clients, and is influenced by peers' heterodox choices. We discuss contributions to the neo-institutional theory of organizational choices, the socio-cultural analysis of field's evolution, and the strategic perspective of the firm.

Word count: 166

Despite progress in the study of institutional choices, we still know relatively little about how and why organizations instantiate institutional logics. Institutional theory states that fields operate quasi-independent of the individual actors that constitute them (Di Maggio and Powell, 1983; Bourdieu, 1977; Friedland and Alford, 1991). Hence, the field determines actors' respective behaviors, which tend to become similar as fields homogenize actors via isomorphic forces and potent institutional logics (Wooten and Hoffman, 2008). This contention has been demonstrated frequently in cases where actors shift from one logic to a new, dominant logic (White, 1965; Becker, 1974; Lounsbury, 2001, 2007; Rao, Davis, and Ward, 2001; Rao, Monin, and Durand, 2003; Thornton, 2002). More recently, although work on multiple logics exemplifies redirection of institutional research toward sources of endogenous change, logics have continued to be conceptualized as oppositional and tightly connected to actors and practices (Lounsbury, 2007; Sanders and Tuschke, 2007; Gaba and Meyer, 2008). As a result, we have a limited understanding of how actors shift between logics and how changes in logic dominance occur in fields.

Theoretically, prior research focused on the consequences of a shift in institutional logics in stable fields. Empirically, observations were restrained to polar logics and ignored less represented logics. Overall, past works identified clear incumbents who dominate the field and tend to impose their logic as well as fringe players who strive to differentiate themselves, attract audiences' attention, and gain recognition (Leblebici et al., 1991; Zuckerman, 1999; Schneider and Clemens, 2006; Lounsbury, 2007). We broaden the scope of inquiry to include unsettled fields where several logics exist, actors' positions are less firmly established, and being recognized as distinctive is of strategic importance. In order to maintain distinction, and because there are no clear ends guiding the field, we argue that more prestigious firms tend to adopt nonmainstream logics; that is, to become more heterodox relative to what is temporarily dominant. In turn, this may fuel field instability. The influence of prestige is likely to vary depending on organizations' expertise specialization, pressure from influential clients, and peers' actions. This fluid but conditioned series of organizational logics' instantiation across institutional fields is likely to be

present especially in cultural markets, where actors seek distinction and demarcation more so than in other fields.

We investigate these arguments within a unique empirical setting, the French industrial design industry, over a 14-year period (1989-2003). Industrial design is an appropriate area of investigation because it lies at the interface of cultural trends and manufacturing and evokes the tutelary representations of technique, aesthetics, and business (Lucie-Smith, 1983; De Noblet, 1988; Flamand, 2006; Guillen, 2006). Our qualitative study on the historical and institutional roots of the French industrial design field identifies three institutional logics: modernism, formalism, and managerialism. Over the period of study, the three logics coexist, legitimate institutions such as schools and professional associations are still in their infancy, and neither overarching convention nor superior legitimate ends exist. In the late 1980s, modernism predominated in France; however, by the early 2000s, managerialism became the most popular logic, indicating an interesting change in institutional prevalence.

We tracked the instantiation choices made by 165 design agencies. After controlling for other dimensions (e.g., size, international reach), endogeneity issues, and alternative explanations (in particular, demand, imitation, and fashion effects), we tested whether and how prestige influences *institutional heterodoxy*, that is, an organization's choice to abandon the prevalent logic or instantiate the least prevalent logic. Since past research tends to assume that institutional logics are imposed on organizations and to ignore that logics could also be resources chosen by organizations, we hope to move the institutional research agenda by arguing and documenting that organizations tap into different logics available to them in a structured way. We also suggest new insights into how field heterogeneity is created and changes over time.

Our theorizing and modelling differ from prior studies in at least four ways: 1) our context is unsettled and institutionally plural; 2) we contextualize the effects of prestige—defined as field members' tribute granted to a select few who possess noteworthy characteristics—relative to organizational characteristics, demand, and peers' actions; 3) our dependent variables

are built on logic changes that reinforce or dampen institutional prevalence (and not on the adoption of a particular logic); and 4) we propose a novel operationalization of institutional choices (i.e., a distance-based value of institutional heterodoxy).

## **PRESTIGE AND INSTITUTIONAL HETERODOXY**

Inspired by a conception of society as an interinstitutional system, we conceive of organizational fields as connected and interpenetrated by the structural, normative, and symbolic dimensions of broader institutional values that institutional logics capture and render available to organizations. Institutional logics are the socially constructed assumptions, values, beliefs, and rules that guide organizational actions and are characterized by organizational identity, legitimacy driver, authority structures, mission, focus of attention, strategy, logic of investment, governance, and economic orientation (Thornton, 2002; 2004). Institutional logics sculpt actors' cognitions and structure actors' choices (Thornton and Ocasio, 1999; 2008). Neo-institutional research shows how organizations position themselves vis-à-vis institutional logics, as demonstrated in organizational mission statements and documents produced for audiences (Suddaby and Greenwood, 2005; Thornton, Jones, and Kury, 2005).

We focus on endogenous sources of institutional changes, namely, not provoked by events external to the field. Our interest lies in explaining what drives organizations to choose to instantiate more or less prevalent logics in their field. Concerning the agency/structure paradox (Giddens, 1984; Sewell, 1992; Seo and Creed, 2002; Battilana, 2006), extant literature underscores prestige as a key positional advantage explaining why organizations decide to embrace a new logic or discontinue an old one. Prestige results from a community's acknowledgment that some states or characteristics are unevenly distributed among its members (Goode, 1978; Berger et al., 1998; Ridgeway, 1991). The community, or its representative bodies, recognize members via awards, prizes, or rankings to symbolize these intracommunity dissimilarities. Prestige signals that certain actors' choices are more desirable, valuable, acceptable, and meaningful than those of less

prestigious actors (Wegener, 1992). Acknowledged standing reduces behavioral uncertainty for the community and explains strategic behavior as well as deviation from the norm (Podolny, 1993; Phillips and Zuckerman, 2001; Burris, 2004). Prestige, as granted by a community to individual actors, endows them with certain responsibilities to orient the field's future via institutional logic instantiation (Goode, 1978; Wegener; 1992). Prestige is evoked as a driver of institutional choice because 1) it augments distinguished actors' freedom to alter representations of what is desirable and expected within the field and 2) prestigious actors are likely to be imitated by peers (Goode, 1978; Rao et al., 2003).

Our institutional theory of heterodox logic instantiation in plural contexts complements prior work based on three elements. First, rather than examining whether organizations adopt one specific logic over another, we explain institutional heterodoxy as adopting a nonprevalent logic or ceasing to refer to the dominant logic. Institutional prevalence is the observed frequency of the actual institutional logics that are recognized and instantiated by the actors in the field. As do other organizations, design agencies refer to existing institutional logics in documents produced for their stakeholders (e.g., mission statements, publications, reports). In institutionally plural contexts, instantiation is no longer dichotomous (pro or con) but gradual: the adoption or suppression of a logic by a focal agency at  $t-1$  can either reinforce or undermine institutional prevalence at  $t$ . By making an orthodox or conservative choice, the organization instantiates the dominant logic and/or suppresses reference to the least represented logic. For instance, instantiating a modernist logic when modernism is dominant and suppressing references to modernism when it becomes minimal reinforce established institutional prevalence. A heterodox choice occurs when a firm ceases instantiating the dominant logics because it reduces their salience in the field and/or when a firm embraces the least represented logics.

Second, we examine unsettled contexts where institutions are not yet fixed, norms and values fluctuate, and social structure is still mobile. As Swidler (1986, : 283) asserts "actions' organizing principles are more enduring than its ends in unsettled contexts." Therefore, no single

logic predominates, there are no well-established networks of actors that canvass the field, and criteria to gauge quality are unclear. In such uncertain environments, prestige is critical in organizing the field (Goode, 1978; Wegener, 1992). Prestige, which is granted to certain members to orient the field, serves as an uncertain reduction mechanism (Burris, 2004).

Finally, we emphasize the role of prestige as a positional attribute, since it confers authority and discretion to act. Past research has emphasized centrality as a critical factor explaining institutional change. For instance, according to Leblebici et al.'s (1991) model of institutional change, fringe players reorganize institutionalized fields by enacting new practices. Peripheral actors exhibit less connection, a lower awareness of expectations, and different expertise than do central actors, which allows fringe actors to revolutionize a field's taken-for-granted logic of action. Central players tend to appropriate more valuable resources and adopt fringe practices, thus shifting equilibrium and institutionalizing change. Greenwood and Suddaby (2006) propose that organizations occupying boundary-bridging and boundary-misaligning locations are more aware of and open to engaging in alternative logics; they have more opportunities, more power to resist coercive and normative counteractions, and more economic interest in disregarding established institutional logics. These works have uncovered the processes by which embeddedness is decentred and possibilities for new action arise in the context of competing logics. We complement these views by scrutinizing how prestige, as a tribute received from an unsettled field's members, drives institutional heterodoxy, and how this relationship is moderated by an organization's specialization, clients' demands, and peers' prior choices.

## **INSTITUTIONAL PLURALITY IN CONTEXT**

To characterize the available and meaningful institutional logics present in the French industrial design field, we conducted a series of 25 interviews in France with retired and active independent designers, professional association managers, governmental representatives, company designers, and professional educators (Appendix 1). We supplemented our work with industrial design

history and art history texts (e.g., De Noblet, 1988; Flamand, 2006; Guidot, 2000; Guillen, 2006; Larson, 1993; Loewy, 1995; Lucie-Smith, 1983; Smith 2005; Whitford, 1984; Woodham, 1997) and found that in many countries (Finland, Germany, Italy, the United Kingdom, the United States), the history of art has permeated the design field and nurtured how designers identify and define themselves. Based on this evidence, we identified three major ideal-typical logics: modernism, formalism, and managerialism. Prior works have used ideal-typical definitions of institutional logics (Thornton, 2002; Thornton and Ocasio, 1999, 2008; Thornton et al., 2005). Ideal-types are categorization tools that reflect and theorize on reality and are “a method of interpretative analysis for understanding the meaning that actors invest their actions with” (Thornton and Ocasio, 2008 :110). Ideal-types are not descriptive of a reality or field per se.<sup>1</sup> In our presentation of institutional logics, ideal-types are representations that associate a series of dimensions (the *Y* axis, according to Thornton and Ocasio [2008]) that convey norms, structures, and symbols proper to a higher-order institutional reality with an institutional logic (the *X* dimension).

Briefly stated, as in many creative and cultural activities, the three institutional logics we observe at the industry level parallel higher-order institutional sectors. Flamand (2006, :14-15) theorizes that design emanates from higher-order social realities: exact sciences (e.g., physics, engineering), sciences of spirit (e.g., aesthetics, anthropology), and commercial resources (e.g., management, marketing). Paralleling this typology, modernism presents industrial design as rooted in science, engineering, and technique. Formalism, in a reaction against modernism, associates design with spirituality and aesthetics, while managerialism portrays design as possessing the traits of a market order and an exchange mode. Table 1 describes the main dimensions of the three ideal-types of institutional logics (Thornton, 2002; Thornton and Ocasio, 2008; Jones and Livne-Tarandach, 2008); Appendix 2 provides a richer description.

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<sup>1</sup> We ask readers to accept the methodological and theoretical benefits of using ideal-types as we accept their inherent limitations. In particular, reality is often more complex and hybrid, as Max Weber showed (Weber 1978).



*Insert Table 1 about here*

Roger Tallon, the famous French industrial designer, designed a symbol of France's technical prowess: TGV, the high-speed train. For Tallon, the evolution of the train's design reflects the deeper institutional evolution of the French industrial design field. In the mid-1980s, the train's squared lines and its massive aspect epitomized Tallon's engineering vision, deeply anchored in technology where form follows function. In the mid-1990s, the second generation of TGV exhibited biological lines inspired by fast animals, as if form overshadowed function. The third generation of TGV, launched in 2005, introduced new colors and materials and optimized space, at minimum cost, reflecting the fashion creator Lacroix's touch. Thus, over its history, TGV has epitomized the three ideal-typical institutional logics, represented by the shift from a logic rooted in technique to one where form took precedence and, eventually, to a third where cost efficiency was quintessential.

Finally, to test for convergence and external validity of our ideal-types, we conducted a confirmatory series of 13 interviews in Montreal (see Appendix 1). The influence of the Montreal Biennial (established in 1984) and the Business Design Competition (organized in 1995) have placed Montreal at the forefront of avant-garde design. As a result, in 2006, Montreal was recognized as "Unesco city of design." Ideally geographically and culturally located for a confirmatory study, Montreal represents the crossroad of French and American influences. Relations are ongoing between the Quebec region and France. Many Montreal designers trained in France have worked for American and Canadian firms. Interactions with designers and professional associations located in Montreal have helped substantiate and reinforce the industrial design field, both in Paris (culminating in 2006 with a cooperative agreement between the two capitals reinforcing cultural exchanges in art and design) and in the design-active Rhone-Alpes region, where, since 1987, 360 conferences have taken place under the auspices of "Entretien Jacques Cartier."

Four additional characteristics deserve mention to describe how the French industrial design field has evolved during the previous decades. First, whereas industrial design was long essential to American manufacturers, French firms and economic decision makers in the 1960s considered that “industrial design was for rich countries. It was not our business” (Roger Tallon, interview with authors, Oct. 8, 2003). Many viewed industrial design as a luxury rather than an investment. As a consequence, during France’s “Glorious Thirty” (1945-1975), industrial design was not recognized as a legitimate profession. Second, despite efforts to emphasize its importance to French industry, industrial design remained confined to the artistic sphere of society. In the 1970s, the French Design Center (*Centre de Création Industrielle*)<sup>2</sup> was created and based at the Pompidou Centre in Paris as part of the Museum of Modern Art.

Third, the impetus for the French industrial design industry originated in the 1980s. Loyal to a centralization policy, the newly elected president, François Mitterrand (1981-1995), and his energetic culture minister, Jack Lang (1981-1986; 1988-1993), developed and sustained the concept of art and design. As Jack Lang explained: “I think that the government has to set a good example. France must support creators and manufacturers, it has to link economic invention to industry” (interview with authors, Feb. 18, 2004). Hence, President Mitterrand ordered the renovation of the Presidency buildings and the Château de l’Elysée; he appointed Starck and Wilmotte as project managers. The French government also created the first schools of design, such as Ensci,<sup>3</sup> in 1982. One year later, the Agence de Promotion de la Création Industrielle<sup>4</sup> (APCI) was launched jointly by the Ministry of Culture and the Ministry of Industry.

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<sup>2</sup> Interestingly enough, design has long been translated as creation; only recently has the term design been accepted as such. François Barré, a student of the prestigious Ecole Nationale D’Administration, and François Mathey, a commissioner of the Museum of Decorative Arts in Paris (1955-1986), wanted to duplicate the British Design Centre of London, which had been operating for almost three decades. As François Barré said during our interview: “In 1977, it was the real introduction of industrial design in France through the yearly exhibitions around the theme: “WHAT IS INDUSTRIAL DESIGN?”. According to the scholar and famous historian of industrial design, Raymond Guidot, “At these exhibitions, there were the French designer Roger Tallon, but also the American designer Charles Eames, the Italian Joe Colombo, the Dutch designer Verner Panton, and the German Fritz Eichler, himself responsible for design policy at Braun. All the main foreign cultural influences were present.”

<sup>3</sup> “Ecole Nationale Supérieure de la Création Industrielle” (*National Graduate School of Industrial Design*).

<sup>4</sup> “Agence de Promotion de la Création Industrielle” (*Bureau of Industrial Design Promotion*). Today, APCI is a nonprofit NGO supported by professionals, promoters, and education specialists, and is a member of ICSID.

Fourth, in reaction to the centralized impulse of the 1980s, the Ministry of Industry, in 1991, sponsored ten regional design centers to trigger a new dynamics (Schmitt, Dec. 15, 2003). Throughout the 1990s, these centers sought to sensitize and organize regional manufacturers, designers, and institutions. Nevertheless, most of them have since vanished, except in the Rhône-Alpes area. There, in 1998, the Saint-Etienne municipality organized the International Design Biennial, an event where schools of design from all over the world exhibited the results of their creative explorations of human activities (sitting, sleeping, eating, driving, working, etc.). Moreover, in 1999, a design union, the Fédération des Designers Industriels (FEDI), was founded in Lyon. Fache (Sept. 3, 2003), FEDI president, defined its goal to “structure and organize the design profession,” due to the lack of formal rules at the national level. Today, deontological guidelines determine a designer’s relationship with clients and competitors.

Therefore, at the end of the 1980s, three distinct institutional logics coexisted in the French industrial design field. During the period of our study (1989-2003), the field was unsettled, with multiple career paths, young educational institutions, numerous legitimating and awarding bodies, and no dominant professional associations. In such a context, design agencies faced a difficult choice in declaring their adherence to one ideal-typical logic over another.

## **HYPOTHESES**

Following Swidler’s (1986) and Orlikowski’s (1992) arguments, but at a different level of analysis, we assume that, in contexts such as French industrial design, with no clear dominant institutional logic and shifting institutional prevalence, prestige order directs institutional choices. Because social structure is a precondition of resource selection (Bourdieu, 1977; Sewell, 1992; Podolny, 2005) and since, for us, institutional logics not only constrain organizations but are also resources that socially ordered organizations can employ, prestigious organizations sway institutional prevalence via changes in logic instantiation.

First, prestigious agents seek to maintain distinctiveness, and awards represent a strategic asset to avoid conformism and ensure survivability, especially in cultural industries. Rebours (Feb, 2004) indicates: “Awards are critical. I militate in favour of their broad recognition, they are key for changing things” and Rajaut (Dec, 2003) observes: “With our award, we gained legitimacy and can now act more freely vis-à-vis our community and our clients”. In unsettled contexts, distinctiveness can be obtained by switching logics and favoring the least prevalent ones. Hence, to maintain distinctiveness, prestigious agencies will be more inclined and apt than non-awarded agencies to modify their instantiation away from conservatism.

Second, prestigious organizations, in general, are thought to be more likely to resist change if we assume that organizations select logics based on essential ends; socially advantaged agents protect their position and the corresponding values and ends (e.g. Leblebici et al., 1991). However, along with Swidler (1986: 283), who asserts that “actions’ organizing principles are more enduring than its ends in unsettled contexts,” we assume that, in unsettled institutionally plural contexts, prestigious agents are more likely to preserve their organization than the ends represented by ideal-typical logics. Hence, they are open to heterodox choices. Furthermore, prestigious agents are better positioned, informed, and capable of initiating a meaningful reorientation in institutional prevalence. Many field members may expect prestigious agents to be “lighthouses,” as the director of the most influential regional design center explains: “Laureates are like lighthouses that signal the way to go for others and enable new things and ideas to become acceptable.” (Gabillard, July 2003). Hence, they are more likely to reorder the field via institutional heterodoxy than to promote a transitory and unstable status quo.

Finally, in general, there is a reciprocal relationship between the awarding community and the awardee, with both parties seeking to reinforce their respective legitimacy (Goode, 1978). Awarded design agencies gain prestige and, in turn, legitimize the process of award selection and its practice (Giddens, 1984; Orlikowski and Yates, 1995), which is crucial in institutionally plural

contexts, since competition exists in the awarding community. “An award is a professional distinction, an objective recognition. We put ourselves in the situation of being judged, we did not interact whatsoever in the designation process, and we won” (Rajaut, Dec 2003). As there are numerous awards and awarding bodies, an awardee is less likely to feel constrained to adhere to a given logic endorsed by the entire community in theory only. Moreover, dispersed awarding bodies lack means to enforce strict respect vis-à-vis enounced rules and criteria. Therefore, in an institutionally plural context, prestige may signal distinction, but not complete adherence to a particular set of highly recognized and fundamental principles. Our interviewees mentioned the importance of prestige for establishing their community as a profession, but also noted the relative freedom they gain instead of being constrained by tradition: “The impact of awards has been increasingly huge. Receiving an award is a recognition that brings you even more freedom” (Schmitt, Dec 2003). Therefore, for these reasons:

*H1. The more prestigious a design agency, the higher its likelihood to engage in institutional heterodoxy*

Institutional research emphasizes the internal facet of organizations as a direct and indirect driver of institutional change (Kraatz and Morre, 2002; Kirchner, 2002). The degree of activity specialization is crucial to maintain distinctiveness vis-à-vis field members. Depending on its range of expertise, a design agency will (or will not) remain at the edge of a given specialty. As Rajaut (2003) declares, “Few agencies can pride themselves on mastering both 2D and 3D design. Why? Because they are two different expertises, and the agency needs to get contracts for each activity on a regular basis. This imposes strong organization rules and overarching principles.” The more specialized prestigious agencies are, the easier it is for them to maintain distinctiveness in a given activity. Prestigious specialists are more loyal to their specialized expertise than to an overarching logic; to pursue distinctiveness, they tend to change their logic instantiation more than diversified peers. As their range of expertise broadens, prestigious agencies tend to apply the same logic to all their activities to maintain organizational and identity coherence and, hence,

become more conservative (Zuckerman, 1999; Zuckerman et al, 2003). In such situations, ends become more important than means. Therefore, expertise diversity is associated with preserving constraining ends whereas specialization enables prestigious agencies to select various institutional means to maintain distinctiveness. Hence:

*H2. Expertise diversity will reduce the positive influence of organizational prestige on institutional heterodoxy*

The characteristics of demand greatly influence the actions available to, and taken by, prestigious actors (D'Aunno et al., 2000; Sauder, 2008). Prestigious organizations possess more resource slack, and are more open to new logics, which induce them to redefine legitimate institutional forms (Greenwood and Suddaby, 2006). Prestigious design agencies obtain also access to higher-status clients due to the special recognition that awards grant them. Indeed, high-status clients seek salient features that indicate superior skills, and awards received by prestigious organizations signal such distinctive superiority (Goode, 1978). In unsettled contexts, where no single dominant logic has yet established its supremacy, client demands take on enhanced importance, often in the form of special requests. Requirements of high-status clients are driven by a search for distinction. The more prestigious the design agencies they associate with, the higher will be clients' demand for uniqueness, thus tending away from predominant logics (Larson, 1993). High-status clients, therefore, will encourage prestigious actors to explore uncharted territories. Because means and ends are loosely aligned and awards are not constraining in unsettled contexts, demands from high-status clients will reinforce the likelihood of prestigious design agencies to abandon dominant logics and select less prevalent logics. Thus:

*H3. The more prestigious a design agency, and the more prestigious its clients, the more it will engage in institutional heterodoxy*

In cultural fields, remarkable actors trigger deinstitutionalization and reinstitutionalization processes (Rao et al., 2001, 2003; Washington and Zajac, 2005). The "Matthew effect," which characterizes the uneven return for a given innovation as depending on prestige, whereby

prestigious actors benefit more than others, is instrumental in explaining the diffusion of first-order changes and code violations in a two-logic context (Phillips and Zuckerman, 2001; Fiss and Zajac, 2004; Durand, Rao and Monin, 2007; Sanders and Tuschke, 2007). In an oppositional cultural context, Rao et al. (2005) have shown that institutional heterodoxy spreads via peer contagion. More precisely, highly recognized organizations that infringe upon domain consensus weaken categorical boundaries. The borrowing of elements from a rival category by high-status actors triggers emulation such that the mean number of elements borrowed by others increases, and variance in the number of elements borrowed declines. In an unsettled industry, neither domain consensus violations nor 'outrages' matter that much (Becker, 1974: 773-40), because no official principles, goals, or ends predominate the field. There are only temporary prevalence advantages for given categories, with one logic more instantiated than another. Hence, when prestigious peers opt for a heterodox choice, weakening the temporary consensus, this entices a focal prestigious agency to behave accordingly, i.e., to weaken institutional prevalence. Emulation and search for distinctiveness will prompt agencies to modify how they instantiate logics. In the case of polar logics, one can predict whether novelty or tradition will prevail by gauging the decisions of prestigious peers (Rao et al., 2005; Abrahamson and Eisenman, 2008). In an unsettled context, we can predict that a focal prestigious agent is more likely to opt for institutional heterodoxy if more peers previously did so. However, it is more difficult to predict which logic will be selected or discontinued by a focal actor, as institutional prevalence is not polarized. Overall:

*H4. The more prestigious a design agency, and the more its prestigious peers have engaged in institutional heterodoxy, the more it will engage in institutional heterodoxy*

## QUANTITATIVE ANALYSIS

**Data source.** The interpretative analysis of our ex ante and ex post interviews, the convergence of our ideal-types with historical analysis of art movements, and anecdotal evidence (such as the TGV) lend support for the presence of institutional reordering in the French industrial design

field over the period of study. In order to affirm these changes and test our propositions, we conducted a quantitative analysis. The design profession is not registered with a unique SIC code in France. Genevieve Sengissen, member of the FEDI union, indicated that “there is no clear professional referential of this sort” (interview, September 3, 2003) and suggested that we use a professional journal: the *Guide des Professionnels du Design* (hereafter, the *Guide*). Among others, Eric Fache, president of FEDI, Paymal from Dragon Rouge agency, and Kaminagai, design manager of Parisian Metro, confirmed that this publication is the most useful source of information on French design. The *Guide* is issued by the Strategies publishing group, which specializes in professional publications in the areas of communication, public relations, and art. Founded in 1989, it focuses on consumer goods and services industries; annual circulation is 7,000. Since its origin, the *Guide* has used the same format for collecting information (a questionnaire sent to agencies) and the same categories: descriptive information, financial data, agency philosophy, clients, projects and products, awards, and expertise domains. Because agencies are grouped by their expertise, an agency can be present in more than one section of the *Guide*. In our dataset, we gathered all the information corresponding to a given agency. Between 1989 and 2003, 249 different agencies appeared at least once in our source.

**Institutional prevalence and dependent variables.** In our attempt to explain design agencies’ institutional choices, we studied institutional prevalence<sup>5</sup> and built our dependent variable, institutional heterodoxy, following a four-step process.

First, using the *Guide*, we categorized each agency’s institutional logic instantiation. As in prior studies (Scott et al., 2000; Rao et al., 2005; Jones and Livne-Tarandach, 2008), we composed a corpus of vocabulary proper to each ideal-type, based on the content analysis of our interviews and analysis of the logics by other scholars (De Noblet, 1988; Borja de Motoza, 2002) (see

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<sup>5</sup> Institutional prevalence is measured by an agency’s expression of logic. Another interpretation, based on taken-for-grantedness, argues that because institutions are pervasive and taken-for-granted, they are not evoked by actors. In our context, however, where agencies must express their adherence to a logic, we opted for proxying institutional prevalence via the current manifestation of its occurrence (e.g., Haveman and Rao [1997: 1614]).



bottom of Table 1 for illustrative excerpts). For each agency's lines of self-presentation in the *Guide*, we searched for terms associated with each of the logics and counted each term. If drawings or graphical representations accompanied the agency's description, we interpreted these images using the same series of references as indicated in Table 1. In most cases, there were congruent references to only one ideal-typical logic. In the absence of a clear dominance, we coded 1 for each of the two logics represented, resulting in an average of 22% of agency-year observations with combined references to two logics. In the rare cases of systematic reference to one logic and when only one cue belonged to another logic, we ignored the discrepant cue. We coded the data on agencies for each year and assessed coding stability by verifying that the agencies that did not change their self-presentation from one year to the next received the same coding. Stability was 100%. For reliability, we used two additional independent coders, one of whom was a design expert (a teacher of design and art history). Interrater agreement among the three raters was 80% and was greater than 92% between the design expert and our own coding. After examining the diverging cases, we agreed on a final coding.

The second step consisted of estimating variations in occurrences of logics and determining whether there was evidence of institutional reordering, as suggested by our field study. Based upon the counts from step 1, we calculated  $w_{(i,j,k),t}$ , that is, the observed prevalence,  $w$ , of a logic ( $i, j$ , or  $k$ ) in a given year,  $t$ . Figure 1a shows, at the field level, the evolution of prevalence of the three logics over the period of study. Observing institutional reordering at play over the years, we note the sustained progression of managerialism and the decline of modernism. Since these observations emanate from our data source, we searched for an independent source to evaluate institutional reordering. We collected information on the dissertations defended in France over the period of study via the [sudoc.abes.fr](http://sudoc.abes.fr) website, the national reference for this type of data, and selected dissertations from the disciplines of art, applied sciences, engineering, economics, sociology, and management that focused on industrial design in their research summary. We then studied and categorized the dissertations according to

our three institutional logics of design, plotted the cumulative occurrences of the different logics, and obtained an evolution of the field's institutional order (see Figure 1b) that echoed that of the main data source, giving support to institutional reordering at the field level.

*Insert Figures 1a and 1b about here*

In the third step, we calculated changes in institutional instantiation by creating two dichotomous variables, *SuppDominant* and *AddDominated*. *SuppDominant* takes a value of 1 when a design agency at year  $t$  suppresses reference to the most represented logic from  $t-1$ , and 0 otherwise. *AddDominated* corresponds to an agency adding reference to the least represented logics in the field at  $t-1$  (value is 1), and 0 otherwise. Over the full period, out of the 743 agency-year observations, we observed 137 suppressions of dominant logics and 136 additions of dominated logics. Heterodox choices seem to decelerate slightly at mid-period and regain original levels at the end (as shown in Figure 2).

*Insert Figure 2 about here*

In the last step, we examined instantiation changes using a weighted distance variable. One could argue that using mere logic frequency (e.g., in *SuppDominant* and *AddDominated*) does not adequately capture an institutional logic's salience in the field, since characteristics of adopters vary (e.g., size). Therefore, adoption or abandonment of a logic by more prominent agencies may be more relevant than adoption by other entities, as earlier studies have shown (e.g., Greve, 1995). We generated a weighted measure of institutional change by calculating the size-weighted distance between an agency's position on the modernism-formalism-managerialism scale and the field's barycenter. At the field level, for every year, we calculated the coordinates of the logged firm size-weighted instantiation of modernism, formalism, and managerialism. For instance, a modernist firm with twenty employees would be positioned with the coordinates (3, 0, 0), since  $\log(20)=3$ . For each year, we then calculated the field's barycenter's coordinates by averaging firm coordinates across agencies.

To illustrate: in 1990, the field's barycenter's coordinates were 1.69, 0.22, and 0.74, indicating, for instance, that agencies adopting formalism are less numerous and smaller in size than their counterparts. Ten years later, the coordinates of 1.59, 0.44, and 1.36 capture the increased presence of managerialism and the decline of modernism in larger companies. For every year of the study, we calculated each agency's size-weighted Mahalanobis distance from the barycenter and *Institutional heterodoxy* as the variation from one year to the next. Mahalanobis is preferred over Euclidian distance because it has the advantage of utilizing group means and variances for each variable, taking into account the correlations of the data set; it is not dependent on the scale of measurements. A reduction in distance from the center (i.e., moving closer to the barycenter) tends to reinforce institutional prevalence, while a positive change in distance (moving away from the barycenter) represents institutional heterodoxy. This indicator, *Institutional heterodoxy*, with negative and positive values, is therefore a continuous variable that captures the heterodoxy intensity of institutional change.

**Independent variable and moderators.** Our panel of interviewees helped us distinguish the five most prominent awarding entities and ceremonies characterizing professional recognition in our field of study: (a) Janus de l'industrie, awarded by the French Design Institute, focuses on technical characteristics; (b) Oscar, awarded by journalists and professionals from client industries, focuses on two-dimensional design such as graphism, packaging, etc.; (c) Stratégies Prizes, organized by the *Stratégies* publishing group, encompass four categories of design: graphical, product, environmental, and multidimensional; (d) TopCom awards, given at the TopCom conference, focus on communication and expression through visual design, editorial and graphical codes, and internet websites; and (e) l'Observateur, awarded by the APCI to recognize innovative products, with criteria including ergonomics, sensorial approach, and ecological aspects. In a field with various legitimating agencies and several award subcategories, we calculated *prestige* as the logged value of the cumulated number of awards received by an agency over time. This variable captures the degree of recognition obtained by an agency for its

achievements over the years. Note that our results hold when we run models with prestige measured as the proportion of awards garnered by an agency (i.e., the number of awards received relative to the total number of awards granted within the field in a given year).

To test our hypotheses 2 to 4, we interacted *Prestige* with three different indicators of expertise diversity, client status, and peers' actions.

Based on our knowledge of the industry and in agreement with our interviewees, we distinguished five important types of expertise: (a) visual design (graphical, 2D); (b) product design (3D); (c) environmental design (spaces, architecture of interiors, furniture and other equipment); (d) socio-analytical design (integration of psychological, sociological, and economic studies); and (e) sensorial design (capturing all five senses). Based on the information provided in the *Guide*, we noted the expertise used by each agency for each year. *Expertise diversity* captures a design agency's fields of expertise. A low value indicates specialization whereas a higher value indicates greater diversity.<sup>6</sup>

We assumed that client status reinforces the relationship between prestige and institutional heterodoxy. *Client status* represents the percentage of high-status companies (defined as being one of the 40 largest French public companies [CAC40]) for which the agency worked. Therefore, *client status* is the percentage of CAC40 companies in a firm's client portfolio in a given year.

Past *Peers' dominant logic deletion* and past *Peers' dominated logic addition* variables capture the proportion of agencies at *t-1* having opted for either choice (*SuppDominant* or *AddDominated*) and

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<sup>6</sup> Theoretically, whereas practice exemplifies the structuring principles of a logic (Bourdieu, 1977; Sewell, 1992; Orlikowski and Yates, 1995), expertise designates the technical content of a field's activities without any pre-ascribed institutional values. For instance, in the culinary field, excellence in coupling wine with food is an expertise that does not indicate whether the actual practice is nouvelle or classical cuisine. Hence, expertise is the recognized ability to execute particular activities in a professional domain. In the design industry, our respondents identified five areas of expertise: visual, product, environmental, socio-analytical, and sensorial. Note that they did not attach expertise to logics in a systematic way. For instance, Foty and Gadoury, in two separate interviews, both state that they "have the feeling that there is no direct connection between a product design expertise and a logic." Some point to a closer association between 3D design and modernism (Lacroix, Dallaire), whereas others relate it to formalism (Starck). Therefore, we relax the condition that a given expertise will drive the choice of a particular institutional logic.

are weighted by their logged number of awards.

**Controls.** A series of control variables were included in our models to account for alternative explanations of institutional change. For instance, in oppositional and stable contexts, marginality is a critical mechanism that explains avoidance of isomorphic pressures. We measured centrality as the logged value of an agency's ties with professional associations and partners (*Number of ties*). It encompasses declared ties with professional associations (e.g., FEDI), unions (primarily Union Française des Designers Industriels), regional groups, professional accreditations from Opdqj (Office professionnel de qualification des designers industriels), and foreign design associations. Higher values point to greater centrality.

Next, we measured the influence of demand on institutional choices by controlling for client portfolio characteristics that could influence institutional heterodoxy. First, we controlled for the direct effect of *Client status*. One can argue that the more concentrated an agency's client portfolio, the greater the influence of clients on an agency's institutional choices and the less varied clients' demands, indicating a higher probability of conservatism. *Client concentration* is the Herfindhal index on the total number of industrial sectors where an agency's clients operate, out of the 13 represented in the database. The greater this variable, the more concentrated an agency's clients and the more orthodox the agency's instantiation choices should be.

A vast literature demonstrates the influence of past instantiations in explaining a focal agent's logic adoption. We controlled for the direct effects of *Peers' dominant logic deletion* and *Peers' dominated logic addition*, which account for potential fashion effects prompted by trend-setters likely to be prestigious agents (Abrahamson and Eisenman, 2008). Other social effects could account for why agencies instantiate a dominant or dominated logic. Therefore, past *Peers' modernism adoption* and past *Peers' managerialism adoption* variables are the proportions of agencies having adopted either modernism or managerialism at *t-1* weighted by agencies' logged number of awards. These variables control for social effects of past adoption (e.g., Rao et al., 2001; 2005).

Other controls at the field level include dummy controls for years and *density* (logged number of design agencies), which accounts for ecological aspects (the quadratic term was not retained in final models, as it was insignificant). At the firm level, we integrated six additional controls in our baseline model. First, *governance* represents a firm's legal structure; it is worth 1 for "unlimited liability," which represents greater legal responsibility for owners than other types of governance, and worth 0 otherwise. As *governance* indicates the degree to which owners bear legal responsibility, one could expect that the higher this responsibility, the lower the probability to engage in heterodox choice. Second, *age*, the logged number of years since creation of the agency, has been shown by past research to impact firms' strategic choices. Third, *size* represents the accumulated resources garnered by a firm and is measured by the logged number of employees. Larger organizations may be less likely to implement heterodox choices. Fourth, *international* is a count variable that assesses the number of an agency's international contracts likely to influence its choices relative to current institutional prevalence (we use logged number of contracts). Finally, two binary variables indicate whether, at  $t-1$ , the focal agency instantiated modernism or formalism (*Modernist* and *Formalist* variables are 1 in these cases and 0 otherwise).

Overall, due to the necessity of repeated observations and lagged variables, we ran our models using 743 fully informed observations representing 165 design agencies. Table 2 reports the descriptive statistics for the variables and the correlation matrix.

-----Insert Table 2 about here-----

**Models.** We present two series of models. First, due to the presence of within-cluster error misspecifications (presence of a firm over several years), we used GLS random-effects models with robust standard errors to test the hypothesized effect of our variables on the value of *Institutional heterodoxy*, our continuous dependent variable. Second, we present logit models with *SuppDominant* and *AddDominated* institutional choices as dependent variables using robust standard errors and clustering on agencies. Note that event risk models on the rates at which these events occur produce similar results.

## RESULTS

Table 3 shows GLS regressions (Models 1 to 6) using *Institutional heterodoxy* as the dependent variable and full logit models (Models 7 and 8) when *SuppDominant* and *AddDominated* occur.

*Insert Table 3 about here*

Model 1 displays the control variables and Models 2 to 6 show results for addition of *Prestige* and moderators. In Hypothesis 1, we argue that higher prestige has a significant positive influence on institutional heterodoxy. We found the direct effect of prestige to be positive and significant (Models 2 to 6). Gaining prestige favors a design agency's movement away from the field's barycenter. This result lends more support for H1, which associates prestige with institutional heterodoxy. Note that a test for a quadratic relationship, as suggested by others (e.g., Phillips and Zuckerman, 2001), was not significant. Using coarser dichotomous dependent variables, we see that prestige's coefficient is also positive and significant on deletion of the dominant logic (Model 7) and addition of a dominated logic (Model 8); it is slightly less significant for the latter.

Looking at moderators, results from Models 3 to 6 indicate an interaction effect that is negative and significant for expertise diversity, which supports H2. Direct effect of expertise diversity is not significant. Note that the same results, significant at 5% and 10%, respectively, occur in logit Models 7 and 8. This finding indicates that for nonawarded design agencies, expertise diversity does not directly influence institutional heterodoxy's average probability. However, for awarded agencies, this latter probability depends both on prestige (positive and significant coefficient) and on the negative and significant interaction between expertise diversity and prestige.

Client status does not appear significant in Models 4 and 6, neither as a direct influence nor as moderating the prestige-heterodoxy relationship. However, in Model 8, client status tends to be a predictor of conformism (main effect); when associated with prestige, it reinforces heterodoxy. Direct effect is also negative and marginally significant in Model 7; the interaction, although positive, does not reach the significance threshold. Overall, there is some indication that

client status, as predicted by H3, influences nonawarded agencies to conform and more prestigious firms to opt for more heterodox choices (only for deletion of dominant logic in Model 8).

Hypothesis 4 assumes that prior heterodox choices by prestigious peers reinforce the decision of awarded agencies to become heterodox. Models 5 and 6 provide contrasting evidence, since both interactions of *Peers' dominant logic deletion* and *Peers' dominated logic addition* with *Prestige* exhibit significant coefficients (at  $p < .10$  for the former in Models 6 and 7 and  $p < .05$  for the latter in Model 6 only). However, whereas interaction with past peers' dominant logic deletion shows the expected sign (positive), the other interaction coefficient is negative. Hence, this indicates that prestigious agencies are encouraged to make institutionally heterodox choices—in particular by adding a dominated logic as found in Model 7—when prestigious peers abandoned the dominant logic in the past but are discouraged from doing so when these peers add dominated logics. There seems to be an asymmetry in how peers' past choices moderate the main relationship between prestige and institutional heterodoxy.

Using Models 6 to 8 as a reference, we calculated the predicted value of *Institutional heterodoxy* in different scenarios. Table 4 shows that, depending on the context, the probability of engaging in heterodox instantiations varies (a proportion of 2 or 3 for minimum values and 2 to 4 for maximum values) relative to an average scenario.

*Insert Table 4 about here*

Overall, H1 receives constant support: the more prestigious an organization, the more it adds references to dominated logics and discontinues dominant logics. Hypothesis 2 receives support also, as more prestigious agencies with diversified expertise are less likely to implement heterodox choices. Hypothesis 3 is marginally supported: high-status clients encourage prestigious agencies to be more unconventional than nonawarded agencies but effects occur only in cases of dominant logic deletion. Eventually, as expected by Hypothesis 4, there is a peers' choice effect that reinforces institutional heterodoxy for prestigious agencies when peers abandoned dominant



logics but suspicion of an opposite effect when peers added less prevalent logics.

### **Other explanations and robustness checks**

*Controls.* Control effects enable us to assess alternative explanations of institutional heterodoxy.

Concerning an agency's position, centrality plays a positive role in explaining heterodoxy. Models in Table 3 stress the positive influence of *number of ties*, which conforms to a view where more central and connected actors can trigger institutional change (Greenwood and Suddaby, 2006).

Regarding the influence of demand, client status negatively impacts both binary choices (Models 7 and 8), but in other models that use a distance-based indicator of institutional heterodoxy (1-6), this variable is not significant. Client concentration never significantly impacts heterodoxy.

Looking at social influences, *Peers' managerialism adoption* appears to negatively influence the occurrence of dominant logic deletion (Model 7 in Table 3). This results from the fact that, over time prestigious firms tend toward managerialism diffusion, reducing the likelihood that an average agency discontinues that logic when it becomes dominant. Also, density favors institutional heterodoxy through addition of dominated logics (in Model 8, the *density* coefficient is significant at 5%), pressuring agencies to avoid conformity; it is not significant in other models.

At the organizational level, *Age* tends to reduce the probability of institutional heterodoxy, with older organizations being more conservative. Interestingly, working abroad (*international* variable) favors only suppression of dominant logics (Model 8). Instantiating modernism pushes organizations to adopt a dominated logic (Model 7), but reduces the odds of suppressing dominant logics (Model 8). This results from the fact that modernism was the dominant logic at the beginning of the observation period. Instantiating a dominant logic increases mathematically the probability to add dominated logics. With *Institutional heterodoxy* as the dependent variable, the coefficient for modernism is positive and significant.

*Robustness checks.* We performed a series of robustness checks to verify the results using several measures of prestige and expertise diversity. For the former, in addition to logged cumulated numbers of awards and proportion of field awards, we used a simpler binary variable and

cumulated awards weighted by specialization in an award category. Results were unchanged. For the latter, we assessed each agency's mastery in every expertise domain. For each expertise, we graded mastery on a scale of 0 to 10 based on accessible information from the *Guide*. Using these grades, we calculated expertise diversity as a weighted sum and also calculated an indicator as 1 minus the Herfindhal index of the 5 grades. A low score indicates a high concentration of expertise within an area, while a high score represents greater expertise diversity. Results using these two variables confirm a negative interaction effect with award variables on heterodoxy. We also ran Mlogit models using a trichotomous dependent variable, which took a value of 1 for addition of the least represented logic and 2 for suppression of the most prevalent logic (and 0 otherwise). Replicating Model 6 from Table 3 using Mlogit confirms prior results.

Are prestige and institutional logics related? One may expect that, depending on the logic epitomized, a design agency will be more or less likely to receive awards. This association may change over time with the spread of managerialism. Despite the fact that the correlation matrix does not present high correlation coefficients between prestige and modernism or formalism, we interacted these two variables to check their influence on institutional heterodoxy. Neither interaction was significant at the 5% level. For period effects, instead of using year dummies, we created a period variable for the years before 1995, when, according to Figure 1, managerialism becomes the most prevalent logic. The coefficient for this variable on institutional heterodoxy is negative and significant at 10%, whereas its interaction with prestige is not significant.

Note that expertise diversity and institutional choice may be related in other ways. For example, they could be codetermined by unobservable factors (e.g., *expertise diversity* and the error term of our regressions could be correlated). We tested for the presence of endogeneity, which could affect our results. First, we estimated an instrumental regression on *expertise diversity*, then introduced the predicted residuals, *resid*, into the models and recalculated the standard errors. We checked whether *resid* coefficients were significant in GLS and logit equations; none was significant. Second, on *Institutional heterodoxy*, a continuous variable, we used the *xtivreg* procedure

to instrument expertise diversity and then tested for a systematic difference in coefficients relative to the noninstrumented equation. The test proved nonsignificant. These results, therefore, suggest the absence of biases due to endogeneity in our models (Wooldridge, 2003).

The relationship between expertise diversity and institutional choice might involve two-way causation (e.g., adopting a dominated logic could inhibit an agency from specialization). We developed a three-stage model wherein an agency's institutional position explains expertise diversity, which, in turn, explains a second-stage institutional choice. We test the possibility of a causal chain between *Institutional heterodoxy* and *expertise diversity* using the following equations:

Equation 1:  $\text{expertise diversity}^* = f_{t-1}(\text{Institutional heterodoxy, Prestige, Number of ties, Client concentration, Client status, Density, Governance, Age, Size, International, Modernist, Managerial})$

Equation 2:  $\text{Institutional heterodoxy}_{t+1} = g_t(\text{Prestige, expertise diversity}^*, \text{Prestige} \times \text{expertise diversity}^*, \text{Number of ties, Client concentration, Client status, Peers' Modernism adoption, Peers' Managerialism adoption, Peers' Dominant logic deletion, Peers' Dominated logic addition, Density, Governance, Age, Size, International, Modernist, Managerial})$

Where  $f_{t-1}$  and  $g_t$  are functions of variables at  $t-1$  and  $t$ , respectively.

Due to the additional lag to predict *expertise diversity*\*, 136 firms remained in the sample (a total of 556 observations). Results from Equation 1 show that expertise diversity is positively related to size, age, and density, and is negatively related to both clientstatus and a modernist orientation. Interestingly, the lagged value of *Institutional heterodoxy* is not significant, ruling out a causal chain between institutional positioning and expertise diversity. Equation 2 shows a structure of results that match Model 6, with the exception of *Client concentration* having a positive and significant effect on heterodoxy. Results from Equation 1 indicate that *expertise diversity* depends more on classical strategic variables than on institutional positioning. We surmise that had we used measures on practices as defined by socio-institutional research (Bourdieu, 1977; Orlikowski, 1992; Thornton and Ocasio, 1999; Lounsbury, 2007), we would have found a positive connection. To clarify this point, we ran logit models and tested the direct relationship between our five expertise types and the probability of modernism, functionalism, or managerialism. Out of the fifteen possible associations, only two appear significant:: graphical

design expertise is positively associated with formalism and socio-analytical design expertise with managerialism. This gives more credence to an analytical distinction between expertise and practice, the former being technical and quite neutral whereas the latter is imbued with institutional logics' characteristics (see footnote 6).

## **DISCUSSION**

This paper complements the classical endogenous change tenet that assumes that pioneering institutional entrepreneurs or powerful actors upend institutionalized fields by triggering imitations of new logics. In our conception, prestige is both a capital asset and a function granted by field members to certain agents, resulting from esteem and observable achievements. It endows recipients with responsibilities and freedom to act. In unsettled contexts, freedom to act supersedes strict adherence to responsibilities. More prestigious organizations seek to maintain distinctiveness in an uncertain world where logics and ends have not been fully accepted, prioritized, and valued by audiences. Loose means-ends association and few constraints imposed on awarded agencies give them more liberty to modify how they instantiate logics. Seeking to maintain distinctiveness and protect their uniqueness, prestigious agents weaken institutional prevalence in the field rather than stabilize it. They use institutional logics as resources rather than ends that direct their behavior, tapping into an institutional reservoir of logics based on their prevalence, thereby reinforcing or weakening institutional order. Certain demands of high-status clients and prior experiences of peers reinforce prestigious agents' inclination to select heterodox logic instantiations, whereas a broader range of expertise tends to make them focus on identity and organization coherence, thereby pushing them toward conservatism. These results support a renewed perspective of often ignored contextual determinants of organizations' institutional choices and provide interesting and complementary elements for the study of institutional change from three perspectives: the neo-institutional theory of organizations, the socio-cultural analysis, and the strategic perspective of the firm.

*Agency, structure, and institutional choice.* We respond to calls by Schneiberg and Clemens (2006), Lounsbury (2007), and Thornton and Ocasio (2008) to tackle the challenges of institutional plurality in fields by developing the notions of institutional prevalence and institutional heterodoxy and conservatism. Assuming that logics change at a slower pace than do adoption and instantiation conducted by field members, we consider logics as more or less prevalent resources. Although they constrain the organizations that instantiate them, logics coexist in a field and are selected depending on an organization's prestige and contextual factors. In the case of polar logics, the selection of the insurgent logic leads to an automatic loss of influence of the dominant logic. When institutional plurality exists, and depending on prestige, range of expertise, client base, and peers' prior activities, an organization has more latitude to modify its institutional instantiation without appearing to be an activist or an objector. Hence, the respective salience of institutional logics is not independent of the organizations that adopt them. Uncovering the mechanisms that explain why firms discontinue logic instantiation helps us understand the evolution of institutional prevalence. In the particular case of institutional plurality, the straightjacket of institutional logics loosens a bit, allowing the inscription of logics within a higher-order cultural context and the increasing importance of social ordering mechanisms in explaining institutional change to occur concurrently.

Prior research has shown that prestige accounts for uneven capacities of agents to act in relation to their institutional environment (Goode, 1978; Ridgeway, 1991; Wegener, 1992; Podolny, 1993; Berger et al., 1998; Burris, 2004). In institutionally plural contexts, the rationales underlying why prestigious actors make unorthodox choices differ from the middle-status conformity argument (Phillips and Zuckerman, 2001) because there is no across-the-board accepted logic. In the presence of coexisting logics, prestigious organizations adopt heterodox logics because, relative to oppositional contexts, alignment between means and ends is looser, distinctiveness is rewarded, and awards signal distinction more than strict adherence to rules, principles, and values. Echoing social structuration (Giddens, 1984; Sewell, 1992; Orlikowski,

1992), this paper conceives of institutional choice as constrained, due both to logic-determining characteristics (source of authority, of identity, of mission, basis of attention, etc.) and because past adoptions by peers and the number of ties with field members influence heterodox choices. Within these constraints, the social structuration of the field influences the freedom to act differently (via prestige and moderating factors). Thus, agency/structure relationships are conducive to institutional choices that concern not only a logic's content but its relative prevalence. In institutionally plural contexts, instantiation choices are driven not only by ends or values, but may also arise from circumstances, depending on current institutional prevalence and an agency's relative prestige in the field.

*Institutional prevalence and socio-cultural changes.* Few studies make the connection between higher-order institutional sectors, institutional logics at the field level, and organizations' instantiation choices (Fligstein, 1990; Haveman and Rao, 1997; Scott et al., 2000; Thornton and Ocasio, 1999). When organizations make reference to or stop instantiating a given logic, it impacts the relative prevalence of logics in the field and of higher institutional sectors in society. Hence, by connecting prestige and moderators of its influence on heterodoxy, we envision culture as the contingent expression by organizations of higher-order institutional sectors epitomized in institutional logics. Prestige ascription by field members to a select few alters the social structure that composes the canvas of society onto which the fabric of institutions is stretched. Expertise diversity imposes more coherence and induces prestigious organizations to behave more conservatively than specialized ones. High-status clients and peers that abandon dominant logics reinforce prestigious organizations' likelihood to weaken institutional prevalence. Therefore, this study paves the way for an analysis of socio-cultural evolution whereby organizations are the central conveyors and dispatchers of higher-order cultural sectors, and prestigious agents and prestige-granting bodies are less a source of order than of ongoing fluid equilibrium.

In examining the sources and consequences of such institutional reshuffling, we

complement classical analyses that assign a prevalent role to habitus and sensemaking in accounting for institutional change. In particular, markets for cultural goods are systems of classification that agents obey and from which they receive satisfaction. “Through taste, an agent has what he likes because he likes what he has, that is, the properties actually given to him in the distributions and legitimately assigned to him in the classifications” (Bourdieu, 1984: 175).

Bourdieu aims to position producers and consumers of products endowed with high symbolic capital (art, literature, gastronomy) in a field of forces where they compete for distinctiveness and exist in, and by, the differences that set them apart (Bourdieu, 1994 :69). However, he assigns field positions to agents that condition their judgments as homologous transpositions of both their respective economic and cultural capitals and their prior imprinting (habitus). Agents reiterate orders they epitomize. Our thesis and results suggest instead that, in unsettled contexts where a plurality of logics exists, prestigious agents may themselves be sources of ambiguity because of their very quest for a unique identity and strategic distinctiveness. As various awards recognize different dimensions of an agent and no clear dominant view places field members into established hierarchies, prestigious agents play tactically with institutional logics. Thus, institutional prevalence remains unstable in a nondetermined way. Rather than creating order in markets, prestige-granting and prestige-receiving agents generate inconclusive judgments on quality and dominant logics, nurturing dissension regarding legitimate classification schemes, causing perplexity for field members, and irresolution for what culture means.

*Institutional choice and strategic action.* Our analysis of the sources of endogenous institutional change uses several measures and models that may be helpful in related works on strategic actions in conjunction with changing environmental contexts (Nickerson and Silverman, 2003; Schneiberg and Soule, 2005). Where multiple logics coexist and remain potent ideal-types, we calculated the distance between an organization’s coordinates along the  $n$  logics-space axes and the barycenter of the field to estimate the organization’s institutional position. With this approach, we neither constrain organizations from conducting an either/or type of institutional change nor ascribe

them, *ex ante*, a nominal degree of fitness, as does most prior research. Hence, we avoid the traps of logical inconsistency and causal fallacy that plague many empirical works that study strategic actions and environmental fitness. From this standpoint, we contribute to evolutionary models of strategic positioning by infusing social and institutional determining characteristics, as evidenced previously (Durand et al. 2007; Oliver, 1997).

There are some limitations that require mentioning. First, we examined a cultural industry where ideal-typical logics may differ from a manufacturing or high-technology industry. In particular, our setting involves distinctive logics unlikely to be considered salient in noncultural industries (e.g., spirituality as an institutional sector of importance). Second, particularism weakens generalizability of results, and boundary conditions proper to the particular context and situation must be acknowledged whenever studies use national data. Third, one may question whether institutional prevalence is fully captured by frequency measures, as taken-for-grantedness can be thought of as the ultimate, but unobservable, prevalence. We opted for a research angle that focused on the observable with its embedded advantages and limitations. Fourth, we associate institutional plurality with “unsettled settings”; as one ideal-typical logic becomes dominant, the field settles, and the context may revert to one of classical opposition. Fifth, during our period of study, institutional logics remained stable, since they are connected with higher-order socio-cultural orders. As a consequence, we generally ignored the blending of logics. Finally, we focused primarily on institutional heterodoxy and secondarily on the content of the chosen logics. Although we did not examine, *per se*, the emergence and dominance of managerialism in French industrial design, our study is relevant to previous works in this area. Indeed, the evolution of our empirical setting marks the encroachment of market into areas more traditionally considered science (profession) and art (spiritual). These peculiarities only reinforce the need to extend our study to other unsettled or mature fields and industries and to analyze how prestige, expertise diversity, and other organizational and institutional factors encourage conformity or heterodoxy in institutional choices.



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## FIGURES

### Figures 1. Institutional Prevalence in French Industrial Design

Figure 1a. Percentage of agencies' logic instantiation (source : Guide des Professionnels du Design)

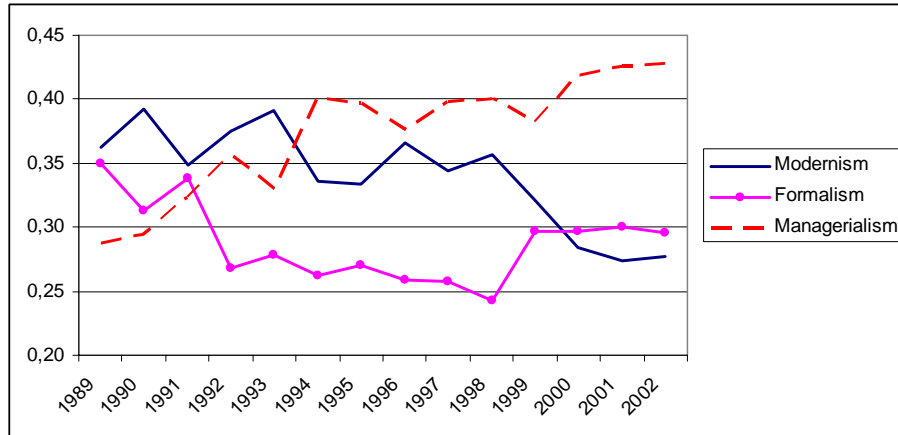
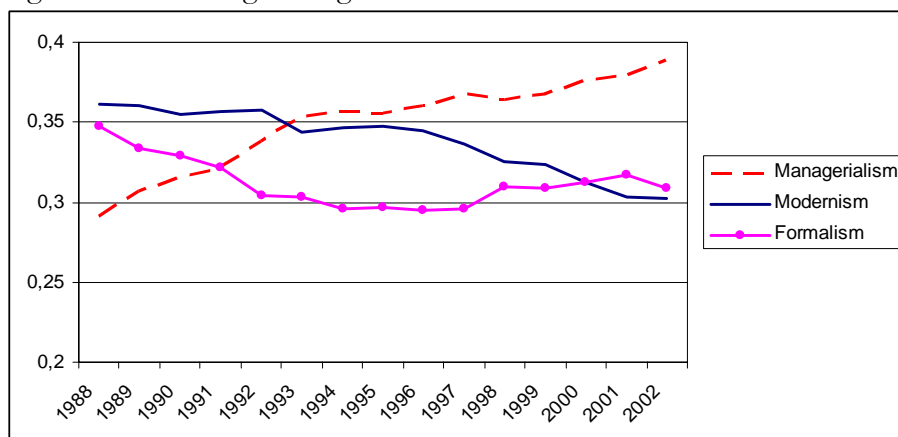
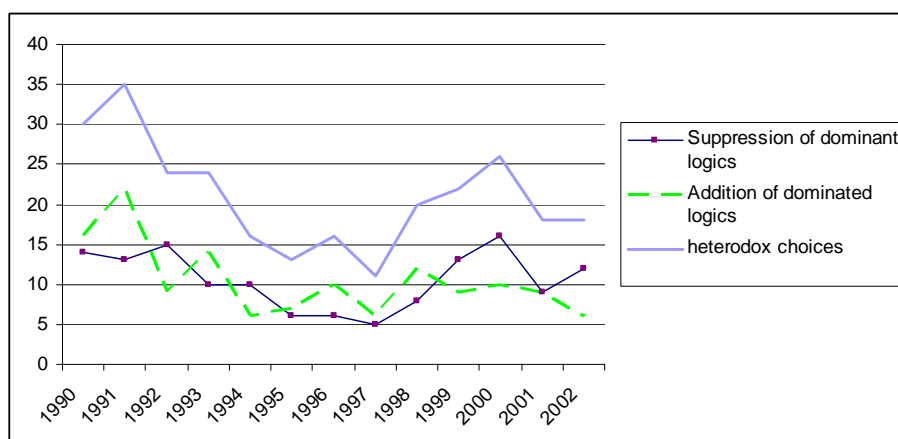


Figure 1b. Percentage of logic occurrences in French dissertations related to design



### Figure 2. Occurrences of heterodox choices



## TABLES

Table 1. Ideal-types of institutional logics in industrial design industry

	<b>Modernist logic</b>	<b>Formalist logic</b>	<b>Managerial logic</b>
<b>Corresponding Institutional sector</b>	Profession	Spirituality	Market
<b>Source of identity</b>	Designer as engineer	Designer as artist	Designer as manager
<b>Source of authority</b>	Technique mastery	Charismatic leadership	An efficient means for business
<b>Basis of mission</b>	Build perfect solutions	Build aesthetic experience	Build optimized solutions
<b>Basis of attention</b>	Individual as a user	Individual as a human being	Individual as a consumer
<b>Basis of strategy</b>	Simplicity, efficacy, durability, rigor	Immateriality, symbolism, affect, diversity	Marketing, management of organizational creativity, client-orientation
<b>Excerpt from vocabulary repertoire indicative of institutional logics</b>	To concentrate, to equalize, to make conform, rigor, “it works”, coherence, expertise, efficacy, technical control, technology, seamless process, engineer, know-how...	To dream, to imagine, to mix, to cross, artist, emotion, extravagance, images, lightness, originality, flexibility, human relationships, colors, design art, culture...	To sell, to make profitable, to prospect, to manage, market, competitive advantage, consumer, strategic analyses, network, brand territory, project, competitive environment, marketing reflection...

**Table 2. Descriptive statistics and correlation matrix**

	Mean	s.d.	Min	Max	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
1 Institutional heterodoxy	1,05	3,29	-6,26	21,71																						
2 AddDominated	0,18	0,39	0,00	1,00	0,02																					
3 SuppDominant	0,18	0,39	0,00	1,00	0,01	0,23																				
4 Prestige	0,09	0,98	-0,75	2,96	0,02	0,05	0,04																			
5 Prestige x Expertise diversity	-0,01	0,55	-7,25	5,43	-0,08	0,02	0,03	0,13																		
6 Prestige x Client status	0,00	0,09	-0,50	0,57	-0,01	0,04	0,05	0,74	0,09																	
7 Prestige x Peers' dominant log deletion	0,03	0,30	-0,45	1,76	0,04	0,04	0,04	0,80	0,13	0,64																
8 Prestige x Peers' dominated log addition	0,01	0,17	-0,39	1,44	-0,03	0,05	0,03	0,68	0,05	0,52	0,47															
9 Number of ties	0,56	0,81	0,00	5,39	0,01	0,03	0,06	0,22	-0,04	0,14	0,17	0,18														
10 Client concentration	0,28	0,18	0,00	1,00	-0,02	-0,02	-0,04	-0,16	0,10	-0,14	-0,12	-0,17														
11 Client status	0,07	0,07	0,00	0,67	-0,03	-0,09	-0,05	-0,10	-0,03	-0,08	-0,06	-0,08	0,03	-0,04												
12 Peers' Modernism adoption	0,50	1,14	0,00	9,44	0,00	0,05	-0,07	0,63	0,08	0,49	0,49	0,41	0,09	-0,14	-0,04											
13 Peers' Managerialism adoption	1,02	2,25	0,00	18,87	-0,02	0,05	0,02	0,74	0,15	0,59	0,64	0,47	0,20	-0,10	-0,02	0,60										
14 Peers' Dominant logic deletion	0,12	0,13	0,00	0,51	0,04	0,13	0,00	-0,04	-0,08	-0,03	-0,06	0,00	-0,02	-0,08	-0,02	-0,03	-0,04									
15 Peers' Dominated logic addition	0,24	0,18	0,00	0,60	-0,03	-0,05	-0,07	0,06	0,08	0,07	0,13	0,01	0,01	0,03	0,09	0,02	0,07	-0,17								
16 Density	1,35	0,31	0,63	1,83	-0,05	-0,12	-0,05	0,05	0,06	0,07	0,07	0,01	-0,01	0,07	0,05	0,02	0,10	-0,43	0,21							
17 Governance	0,67	0,47	0,00	1,00	-0,04	0,04	-0,01	0,26	0,05	0,20	0,19	0,17	0,19	0,04	-0,04	0,20	0,23	-0,02	0,04	-0,01						
18 Age	2,26	0,73	0,00	4,34	-0,02	-0,04	-0,01	0,34	0,05	0,30	0,27	0,23	0,17	0,01	-0,07	0,21	0,31	-0,06	0,09	0,16	0,28					
19 Size	2,91	0,91	0,69	5,33	-0,02	0,01	0,03	0,49	0,08	0,39	0,41	0,33	0,30	-0,19	-0,05	0,37	0,44	-0,02	0,06	0,04	0,44	0,40				
20 International	0,49	1,60	0,00	14,00	0,02	0,07	0,02	0,03	0,01	0,08	0,02	0,04	0,09	0,10	0,03	0,03	0,02	0,01	0,00	-0,05	0,08	0,10	0,05			
21 Modernist	0,63	0,48	0,00	1,00	0,06	0,08	-0,22	0,06	0,02	0,07	0,03	0,05	-0,05	-0,05	-0,06	0,34	-0,01	-0,01	-0,03	-0,04	-0,04	0,02	0,08	-0,04		
22 Formalist	0,52	0,50	0,00	1,00	-0,01	0,14	-0,05	0,05	-0,06	0,02	0,05	0,03	0,04	0,19	-0,02	-0,03	0,06	0,01	0,04	0,06	-0,03	0,09	-0,02	0,03	-0,24	
23 Expertise diversity	3,41	0,80	1,00	5,00	0,03	0,03	0,05	0,17	0,07	0,15	0,16	0,08	0,04	-0,02	-0,04	0,09	0,14	-0,02	0,07	0,09	0,11	0,21	0,16	-0,07	-0,02	0,06



**TABLE 3. Prestige impact on institutional heterodoxy**

	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6	Model 7 Addition Dominated logic	Model 8 Deletion Dominant logic
	GLS models on institutional heterodoxy							
Number of ties	0.618** (.19)	0.869*** (.18)	0.757*** (.18)	0.875*** (.18)	0.865*** (.17)	0.758*** (.18)	0.294 (.21)	0.454* (.18)
Client concentration	-0.127 (.6)	0.291 (.63)	0.245 (.61)	0.290 (.63)	0.158 (.61)	0.123 (.59)	0.114 (.68)	-0.073 (.66)
Client status	-1.835 (1.5)	-1.075 (1.6)	-1.061 (1.6)	-1.105 (1.6)	-1.067 (1.6)	-1.137 (1.4)	-4.811+ (2.6)	-4.997* (2.0)
Peers' modernism adoption	-0.133 (.11)	-0.190+ (.11)	-0.172 (.1)	-0.195+ (.11)	-0.180+ (.11)	-0.165 (.11)	-0.214 (.14)	-0.129 (.14)
Peers' managerialism adoption	0.057+ (.03)	0.028 (.04)	0.021 (.04)	0.036 (.04)	0.028 (.04)	0.028 (.04)	-0.188 (.13)	-0.365** (.12)
Peers' dominated logic adoption	0.823 (1.2)	0.992 (1.2)	0.829 (1.3)	1.000 (1.2)	1.042 (1.2)	0.887 (1.2)	1.280 (1.1)	-0.761 (.87)
Peers' dominant logic deletion	-0.149 (.64)	-0.204 (.65)	-0.0991 (.65)	-0.193 (.66)	-0.364 (.64)	-0.244 (.64)	-0.346 (.74)	-0.767 (.68)
Density	-0.216 (.48)	-0.129 (.48)	-0.140 (.48)	-0.112 (.48)	-0.114 (.48)	-0.104 (.48)	-0.896* (.44)	-0.442 (.38)
Governance	-0.363 (.25)	-0.368 (.25)	-0.379 (.25)	-0.376 (.25)	-0.354 (.25)	-0.374 (.24)	0.365 (.29)	-0.312 (.24)
Age	-0.259+ (.14)	-0.474** (.16)	-0.413** (.16)	-0.465** (.16)	-0.452** (.16)	-0.381** (.15)	-0.119 (.17)	-0.054 (.15)
Size	-0.102 (.14)	-0.227 (.15)	-0.202 (.15)	-0.228 (.15)	-0.247+ (.15)	-0.218 (.15)	-0.177 (.15)	0.0997 (.14)
International	0.0819 (.08)	0.124 (.09)	0.102 (.08)	0.131 (.09)	0.130 (.09)	0.112 (.09)	0.149** (.05)	0.004 (.06)
Modernist	0.546* (.22)	0.572** (.21)	0.586** (.2)	0.581** (.2)	0.560** (.21)	0.582** (.2)	0.735* (.3)	-1.307*** (.24)

Formalist	0.095 (.23)	-0.008 (.21)	-0.008 (.21)	-0.008 (.21)	0.015 (.21)	0.016 (.21)	0.430+ (.24)	-0.601** (.22)
Expertise diversity	0.050 (.05)	0.046 (.05)	0.048 (.05)	0.046 (.05)	0.057 (.05)	0.059 (.05)	-0.047 (.04)	-0.0362 (.03)
Prestige		0.373* (.17)	0.384* (.17)	0.466* (.23)	0.400+ (.23)	0.492* (.25)	0.210* (.10)	0.181* (.09)
Prestige x Expertise diversity			-0.439** (.17)			-0.464** (.17)	-0.030* (.015)	-0.027+ (.015)
Prestige x Client status				-1.567 (2.1)		-1.740 (1.8)	1.013 (.90)	1.856* (.81)
Prestige x Peers' dominated logic addition					-1.962* (.95)	-1.881* (.96)	-0.370 (.26)	-0.080 (.23)
Prestige x Peers' dominant logic deletion					0.906 (.59)	0.948+ (.57)	0.365+ (.20)	-0.054 (.57)
Constant	2.037** (.75)	2.645** (.83)	2.470** (.8)	2.585** (.83)	2.657** (.83)	2.402** (.8)	-1.188 (.84)	0.528 (.73)
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chi2	50.34	101.4	110.8	104.9	123.2	132.6	44.41	70.79

Note: Models 1 to 6 GLS random effect models with robust standard errors; standard errors in parentheses. Models 7 and 8 are logit on SuppDominant and AddDominated with robust standard errors. Year dummies not reported.  
+ p<.10, \* p< .05, \*\* p<.01, \*\*\* p<.001

**Table 4. Predicted probabilities of institutional heterodoxy**

	From Model 6: change in distance from barycenter	From Model 7: AddDominated is worth 1	From Model 8: SuppDominant is worth 1
Average scenario	1.11	11%	18%
Minimum scenario	-.62	3%	9%
Maximum scenario	3.41	24%	74%

Average scenario takes value at their average for all variables.

Minimum and maximum scenarios take value at their average for all variables except for moderators where they are taken at average +/- 2 s.d.

## APPENDIX 1. List of interviewees

Name	Status	Date, city
Jack Lang	Former Minister of Culture and Education.	February 18, 2004, Paris.
Françoise Jollant-Kneebone	Past director of ENSCI.	October 6, 2003, Paris.
François Barré	Founder of Centre de Création Industrielle.	December 17, 2003, Paris.
Chantal Riols Anne-Marie Boutin	Manager at APCI. APCI.'s President	October 6, 2003, Paris.
Claude Mollard Marion Laporte	Director at the Ministry of Education. In charge of introducing design into French primary and high schools' curriculum.	December 16, 2003, Paris.
Agnès Lutz	Director in charge of design at Ministry of Industry.	October 7, 2003, Paris.
Joëlle Malichaud	Director in charge of design at Ministry of Culture.	October 9, 2003, Paris.
Paul Schmitt	Founder of regional design centers and CEO of "Le Creuset".	December 15, 2003, Paris.
Marie-Marguerite Gabillard	Director of design center at Rhône-Alpes (CDRA).	July 8, 2003, Lyon.
Josyane Franc	Director of communication for Arts school at Saint-Etienne city hall.	Januar 6, 2004, Saint-Etienne.
Eric Fache, Geneviève Sengissen, Christian Roche	Designers and members of FEDI (professional union).	September 3, 2003, Lyon.
Antoine Fenoglio	Designer and CEO of <i>Sismo</i> agency.	February 6, 2004, Lyon.
Jean-Charles Gaté	Design journalist at « DesignFax ».	December 17, 2003, Paris.
Manfred Hubert	Independent designer.	October 23, 2003, Lyon.
Yo Kaminagai	Design manager at RATP.	February 18, 2004, Paris.
Muriel Rajaut	Director of Branding and Packaging service at <i>Desgrippes &amp; Gobé</i> agency.	December 16, 2003, Paris
Christophe Rebours	Designer and CEO of <i>In Process</i> agency.	February 17, 2004, Susrènes.
Roger Tallon	Designer.	October 9, 2003, Paris.
Jean-Pierre Vitrac	Designer and CEO of <i>Design Pool</i> agency.	February 16, 2004, Paris.
Raymond Guidot	Historian of design.	February 16, 2004, Paris.
Jocelyn de Noblet	Historian of design.	February 17, 2004, Paris

### List of interviews of 13 Montreal design experts (April, 2005).

Sylvie Berkovicz	Design journalist at TV5.	April 19.
Louis Brassard	Counsellor of industrial development at the Ministry of Economical and Regional Development.	April 21 (by phone).
Marc Choko	Teacher at UQAM.	April 11.
Michel Dallaire	Designer and CEO of <i>Michel Dallaire Design Industriel</i> .	April 22.
André Desrosiers	Independent designer.	April 13.
Michel Foti	Integrated designer into Sistemalux.	April 6.
Ginette Gadoury	Director of SIDIM.	April 21.
Charles Godbout	Independent designer.	April 6.
Marie-Josée Lacroix	Commissioner of design at Montréal.	April 18.
Sylvie Laniel	Design counsellor of the Ministry of Quebec local and regional affairs.	April 11.
Claude Mauffette	Designer and CEO of <i>ClaudeMauffette Design Industriel</i> agency.	April 14.
Cédric Sportes	Independent designer.	April 5.
Pierre Vanier	Counsellor of the Ministry of Quebec local and regional affairs.	April 19.

## APPENDIX 2. Ideal-typical logics in French industrial design

The International Council of Societies of Industrial Design (ICSID) defines design as “a creative activity whose aim is to establish the multi-faceted qualities of objects, processes, services and their systems in whole life-cycles. Design is the central factor of innovative humanization of technologies and the crucial factor of cultural and economic exchange.” Therefore, references to technique, aesthetics, and business in the design field echo higher-order realities of professional excellence, spirituality experience, or market laws. Based on our exploratory interviews, accounts from the history of art and architecture, and the ex post study in Montreal, three ideal-typical logics appear to be recognized, accepted, understood, used, and manipulated by all the field’s actors: modernism, formalism, and managerialism.

In design, modernist logic stems from the influential Art and Architecture German *Bauhaus* (1919-1933) (Guidot, 2000). Modernism is based on rational and scientific concepts (Whitford, 1984), whereby “form follows function.” In architecture as well, and prior to design, the trilogy “unity, order, purity” are the guiding principles of modernist design (Guillen, 2006,12), for which, according to Mies van der Rohe, “less is more.” Modernism defends simplicity, precision, regularity, and functionality, what Guillèn calls “the taylorized beauty of the mechanical.” For these reasons, modernism has been accused of being antitraditional, antiromantic, technique-based, and futurist. Above all, modernism characterizes the movement toward a rapprochement between architects as engineers and technicians, an elaboration of a legitimate profession, and a distancing from the previous model of architects and designers trained, along with painters and sculptors, as artists in Beaux-Art schools. The creative process strives for universality, as did Charles and Ray Eames with the DSS chair in 1948, or Rams and Fisher with the Braun electric razor in 1969. Technique and technology help advance the cause of modernist designers for whom technological mastery is a source of authority. Objects are simple and efficient; colors are often black and white. Modernists perceive the individual as a user of the object in the space they design. Technology and its continuously evolving capacities encourage designers to constantly draw and conceive the purest of shapes to capture the functional essence of the entity. Michel Dallaire, a modernist industrial designer from Montreal, stresses these aspects: “I dislike superficiality. I like the truth of each material and of each technical process. Functionality of object is essential and inherent in the creative process. Result must be rigorously efficient.” Andre Desrosiers, another designer from Montreal, concludes: “Inhabited by the engineering aspect of their works, modernist designers want their creation to work.” In France, the first design professionals were engineers and architects who touted modernism as a natural logic.

Contrary to modernism, postmodernist ideology in architecture emphasizes pure design and the re-establishment of an architect-as-artist identity (Larson, 1993). In her study, Larson insists on formalism, i.e., the identification of designers as artists rather than as producers of social reality inspired by science. Formalism, the second ideal-typical logic, is embedded in the artistic movement known as *Free Forms* and is a reaction to the modernist logic that arose after the Second World War. This movement, and protest groups such as Memphis, opposed to modernist values, criticized mass consumption and offered a new conception of design that promoted color, playfulness, optimism, and subjectivity. Formalism stems from taste judgments and societal definitions of spirituality, sacredness, and beauty.<sup>7</sup> These values are evident in one of E. Sottsass’

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<sup>7</sup> While religion is recognized as a classical higher-order institution (Weber, 1978; Friedland and Alford, 1991; Thornton, 2004), we enlarge slightly the scope of this institutional sector to include spirituality and aesthetics in its orbit. Indeed, without entering into a debate about how many institutional sectors or orders coexist in society, we place spiritual, aesthetic, and transcendental dimensions into one sector, that of spirituality. Aside from the fundamental social functions fulfilled by well-identified institutions (public good protection [states], private good

most famous works: the 1969 typewriter “Valentine,” whose bright red color contrasted with the usual black of office equipment. For Sottsass, industrial design is “a way of seeing life, politics, eroticism, food and even art.” Long before Apple computers, Valentine affirmed the beauty of a professional object that was also a personal object. According to the formalist ideal-type, form does not follow function, it precedes functionality. The source of designers’ authority is charismatic leadership, whereby the designer aims to “create strong signs and surprises,” according to Philippe Starck, a world-famous French formalist. The genius of a sculptor can be applied to everyday objects. In 1990, Starck designed a toothbrush for Sanofy-Synthelabo that mimicked the form of Brancusi’s sculpture “L’envolée de l’oiseau.” Also in 1990, Starck designed a lemon squeezer (manufactured by Alessi), which looks like a sculptural giant spider and is “strange and singular.” Formalism has allowed designers to explore new creative directions, where the individual is viewed as human with phenomenological experiences of reality. Cedric Sportes, a French designer, has adopted a formalist conception of his design practice. He describes himself as a “juvenile creator.” To him, a formalist designer is strategically different from a modernist designer because experience and free expression precede rationality and technique. “While modernism applies technical criteria to judge its production, formalist work is neither right nor false. It appeals to subjective and emotional experiences,” explains Andre Desrosiers.

The third ideal-type of designer institutional logic is managerialism. Managerialism proceeds from considering the market as an economic structure containing values and principles that expands its legitimacy to new domains (Haveman and Rao, 1997; Scott et al., 2000; Thornton and Ocasio, 1999). As early as 1959, in its exploratory tour of the American design industry, a OECE investigation group concluded that a professional designer “must be 30% an engineer, 30% an artist, 30% a sociologist, 30% a business man and 30% a seller.” (EOCE, 1959,:41). This conception of industrial design as viscerally entangled with business techniques has been slow to permeate the French design industry. In the late 1980s, the structure of the profession around the educational system began (design schools and curriculum distinct from engineering or art education), with national and regional exhibitions on design, and the institutionalization of design as generating distinctiveness within markets for products and services. Although technical and cultural values are present in managerial design, the most influential values are economic; the ultimate goal appears to be the use of design as a means (to achieve greater profitability, maintain customers’ loyalty, etc.), and not as an end. The source of a designer’s identity hinges on being a manager, and the source of authority revolves around the designer’s capacity to understand clients, current production processes, and strategic constraints. Godbout states that, in order to conceive optimized solutions, “Managerial design means a tool for business.” Hence, the individual at the end of the creative process (i.e., the consumer) is considered to be the target and the basis of attention. Gadoury, the SIDIM<sup>8</sup> president, says: “Managerial design must satisfy clients’ objectives and needs.” Clients and their needs are thus integrated into the creative process as early as possible (Borja de Mozota, 2002).

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[corporation], exchange [market], etc.), other metaphysical functions may have been ignored in our organizational studies that religion, per se, does not capture entirely. However, the sacred and the beautiful have a long common history, in isolation and in conjunction with professions, markets, and corporations. In this endeavor, we thus follow Elie Faure, Erwin Panofsky, and Harrison White by drawing broader contours for spirituality as a higher-order institutional sector.

<sup>8</sup> SIDIM = Salon International du Design d’Intérieur de Montréal.