

## DECLARATORIA SULLA TESI DI DOTTORATO

La sottoscritta

COGNOME

DALPIAZ

NOME

ELENA

Matr.

1094622

Titolo della tesi:

The Use of Cultural Resources in Strategy Formation and Organizational Change

Dottorato di ricerca  
in

Business Administration and Management

Ciclo

XI

Tutor  
dottorando

del Davide Ravasi

Anno di discussione

2010

## DICHIARA

sotto la sua responsabilità di essere a conoscenza:

- 1) che, ai sensi del D.P.R. 28.12.2000, N. 445, le dichiarazioni mendaci, la falsità negli atti e l'uso di atti falsi sono puniti ai sensi del codice penale e delle Leggi speciali in materia, e che nel caso ricorressero dette ipotesi, decade fin dall'inizio e senza necessità di nessuna formalità dai benefici previsti dalla presente declaratoria e da quella sull'embargo;
- 2) che l'Università ha l'obbligo, ai sensi dell'art. 6, comma 11, del Decreto Ministeriale 30 aprile 1999 prot. n. 224/1999, di curare il deposito di copia della tesi finale presso le Biblioteche Nazionali Centrali di Roma e Firenze, dove sarà consentita la consultabilità, fatto salvo l'eventuale embargo legato alla necessità di tutelare i diritti di enti esterni terzi e di sfruttamento industriale/commerciale dei contenuti della tesi;
- 3) che il Servizio Biblioteca Bocconi archiverà la tesi nel proprio Archivio istituzionale ad Accesso Aperto e che consentirà unicamente la consultabilità on-line del testo completo (fatto salvo l'eventuale embargo);
- 4) che per l'archiviazione presso la Biblioteca Bocconi, l'Università richiede che la tesi sia consegnata dal dottorando alla Società NORMADEC (operante in nome e per conto dell'Università) tramite

procedura on-line con contenuto non modificabile e che la Società Normadec indicherà in ogni piè di pagina le seguenti informazioni:

- tesi di dottorato: "The Use of Cultural Resources in Strategy Formation and Organizational Change"
  - di Dalpiaz Elena;
  - discussa presso l'Università commerciale Luigi Bocconi – Milano nell'anno 2010;
  - La tesi è tutelata dalla normativa sul diritto d'autore (legge 22 aprile 1941, n.633 e successive integrazioni e modifiche). Sono comunque fatti salvi i diritti dell'Università Commerciale Luigi Bocconi di riproduzione per scopi di ricerca e didattici, con citazione della fonte;
  - **solo nel caso sia stata sottoscritta apposita altra dichiarazione con richiesta di embargo:** La tesi è soggetta ad embargo della durata di ..... mesi (indicare durata embargo);
- 5) che la copia della tesi depositata presso la NORMADEC tramite procedura on-line è del tutto identica a quelle consegnate/inviata ai Commissari e a qualsiasi altra copia depositata negli Uffici dell'Ateneo in forma cartacea o digitale e che di conseguenza va esclusa qualsiasi responsabilità dell'Ateneo stesso per quanto riguarda eventuali errori, imprecisioni o omissioni nei contenuti della tesi;
- 6) che il contenuto e l'organizzazione della tesi è opera originale realizzata dal sottoscritto e non compromette in alcun modo i diritti di terzi (legge 22 aprile 1941, n.633 e successive integrazioni e modifiche), ivi compresi quelli relativi alla sicurezza dei dati personali; che pertanto l'Università è in ogni caso esente da responsabilità di

qualsivoglia natura, civile, amministrativa o penale e sarà dal sottoscritto tenuta indenne da qualsiasi richiesta o rivendicazione da parte di terzi;

7) **scegliere l'ipotesi 7a indicata di seguito:**

7a) X che la tesi di dottorato non è il risultato di attività rientranti nella normativa sulla proprietà industriale, non è stata prodotta nell'ambito di progetti finanziati da soggetti pubblici o privati con vincoli alla divulgazione dei risultati; non è oggetto di eventuali registrazioni di tipo brevettale o di tutela, e quindi non è soggetta a embargo;

Oppure

7b) che la tesi di Dottorato rientra in una delle ipotesi di embargo previste nell'apposita dichiarazione "**RICHIESTA DI EMBARGO DELLA TESI DI DOTTORATO**" sottoscritta a parte.

20 Gennaio 2010

Elena Dalpiaz

*To my beloved parents and husband*

## INDEX

Abstract Page 7

---

Essay 1: Where Strategy Meets  
Culture: the Neglected Role of  
Cultural and Symbolic Resources in  
Strategy Research Page 11

---

Essay 2: A Cultural Quest: A Study  
of Organizational Use of New  
Cultural Resources in Strategy  
Formation Page 47

---

Essay 3: Recombining Different  
Logics in Organizations: An  
Exploratory Study of Institutional  
Change and Strategic Renewal Page 105

---

Bibliography Page 169

---

## ABSTRACT

In this manuscript, I explore the use of cultural resources in strategy formation and organizational change. Different types of resources and different processes in which they are involved are explored in the three essays that compose this dissertation. The first essay is theoretical, whereas the second and third essays are based on empirical studies grounded on the longitudinal analysis of a revelatory case.

An overview of constructs and of content of the three essays is presented below.

Basing on Bourdieu's (1993) definition of cultural capital, further refinements on this construct (e.g. Sullivan, 2001), and insights coming from management studies, Essay 1 defines an organization's cultural capital as the *cultural knowledge* and capability to manipulate it in organizational activities, processes, and outcomes. The purpose of this essay is to highlight the broader set of intangible resources that have been identified by scholars studying non-North American firms and settings, with the aim of indicating promising avenues for future research to extend current thinking in strategic management and organizational theory about what type of resources firms can deploy in the value creation process.

To do so, I summarized and integrated insights from extant research regarding the role of cultural and symbolic resources in strategy. I then built connections between these ideas and mainstream strategy research by delineating similarities and differences between resources that have already attracted the attention of strategy researchers (intellectual capital, social capital, and social approval capital) and their "cultural counterparts" (cultural capital and symbolic capital). In my view, the latter

can be considered a subset of specialized resources that producers need to develop to engage in value creation based on the meanings associated with the products they make. I concluded by suggesting the ways in which mainstream strategy research could investigate such important resources.

Essay 2 uses the notion of *concepts* as cultural resources for the organization. Concepts are culturally situated, extra-subjective frames for understanding social reality (Munir & Phillips 2005) that organize knowledge in a particular domain and provide relatively shared schemas guiding actions in a collectivity (DiMaggio, 1997; Hargadon & Douglas, 2001). Concepts are available in the societal culture as a whole and can be used as toolkit to drive action to address different situations (Swidler 1986; Weber, 2005) and to reach given strategic outcomes. Strategy formation is explored in terms of *unconventional strategies* (i.e. strategies that break with industry conventions) and *strategic versatility* (i.e. ability to implement unconventional strategies in multiple task environments). Organizational change is explored in terms of cultural repertoire enrichment and organizational identity redefinition. *Cultural repertoire enrichment* is defined as a) the integration of concepts (and sets thereof) that the organization selects from the broader societal toolkits of symbols, stories, rituals and worldviews, and b) the development and integration of the new practices they drive. *Organizational identity redefinition* is the on-going redefinition of identity claims to a) justify and explain new cultural resources; and b) facilitate the reconciliation of contradictions.

This study was motivated by the growing influence in cultural sociology and organizational research of the view of culture as a “toolkit”, from which individuals draw resources flexibly to develop strategies of action that address different circumstances. To investigate if and how



organizations can also use new and diverse cultural resources, I carried out a longitudinal case study of the incorporation of new cultural resources in an organization's cultural repertoire. In-depth analysis of four rounds of incorporation of new cultural resources led to the development of a robust theoretical model that identifies cultural repertoire enrichment and organizational identity redefinition as two core mechanisms that facilitate the use of new cultural resources for the development of unconventional strategies and strategic versatility. This model contributes to organizational research novel theoretical understanding regarding the use of cultural resources in strategy formation and change.

Essay 3 conceptualizes *institutional logics* as cultural resources. Institutional logics are coherent sets of norms and beliefs available in a given societal sector or organizational field that guide action and that provide legitimacy to members (Friedland & Alford 1991; Thornton, 2004). I explored how organizations can use them strategically to gain *strategic renewal*, i.e. modification of attributes of the organizations that are able to modify substantially organization's prospect of success (Agarwal & Helfat, 2009). Organizational change is here explored as *institutional change* at the level of organization, i.e. "abandonment of institutionalized practices, structures and goals, and/or the adoption of institutionally contradictory practices, structures, and goals, by an individual organization (Kraatz & Moore, 2002, p. 120)."

In the reported study, I examined how the recombination of norms and beliefs of different logics enables institutional change at the level of organization, focusing on the longitudinal process through which one organization recombined logics of two different fields and changed institutionalized practices, structures and goals. I identified the activities

that make the process unfold, and how they develop and interact recursively. The first activity is the formulation of a recombinant intent that parameterizes the recombination of logics through three mechanisms. It drives recursively the other activities that determine the search for a coordinated position in multiples fields, and it is retrospectively revisited and consolidated by periodic rounds of theorization.

## **ESSAY 1**

### **WHERE STRATEGY MEETS CULTURE: THE NEGLECTED ROLE OF CULTURAL AND SYMBOLIC RESOURCES IN STRATEGY RESEARCH**

This paper has been co-authored by Elena Dalpiaz's dissertation co-chairs: Violina Rindova (University of Texas-Austin) and Davide Ravasi (Bocconi University).

The resource-based view has emerged as an important perspective in strategic management research since the 1990s to explain persistency in inter-firm performance differences (Barney & Arikan, 2001). Its core theoretical emphasis on the importance of the resources and capabilities firms develop and control for competitive advantage (Peteraf, 1993) and growth (Penrose, 1959; Wernerfelt, 1984) has spurred a great deal of research on the tangible and intangible assets of firms (cfr. Newbert, 2008 for a meta-analysis). Most of this research, however, has been guided (and limited) by a set of assumptions about how firms create value, and therefore, what resources and capabilities are relevant and important for their value-creating strategies. These assumptions center on ideas of technological innovation as the key driver of value creation (Pitelis, 2009), and the related emphasis on technological knowledge and capabilities (Helfat & Raubitschek, 2000).

While this research has contributed much to our understanding about how firms compete along technological trajectories, it has overlooked either explicitly (Makadok & Coff, 2002) or implicitly (Barney, 1991) the relationship between firm assets and customer's demand, and the importance of understanding how demand affects the value of resources (see Lippman & Rumelt, 2003). Yet, intangible assets may enhance customer willingness to pay for a firm's product or service over and above their direct contribution to the functionality of the product or service (Priem, 2007). In particular, the effects of cultural and symbolic resources on customer demand and willingness to pay have been the subject of study in a variety of fields, including sociology (e.g. Bourdieu, 1984), anthropology (e.g. McCracken, 1988) and consumer behaviour (e.g. Holbrook & Hirschman, 1982), yet they have been neglected in field of strategy.

While the field of strategy in general has given rather limited attention to cultural and symbolic resources, a number of scholars working primarily in non-North American settings have begun to draw attention to the socio-cultural embeddedness of products and the cultural and symbolic resources that enable firms to create additional value. These scholars emphasize that functional products come to have also symbolic value and that the extent to which they do so depends on the cultural and symbolic resources that firms engage in their production (e.g. Cappetta & Gioia, 2006; Cillo & Verona, 2008; Djelic & Ainamo, 2005; Durand, Rao, & Monin, 2007; Ravasi & Rindova, 2008; Rindova, Williamson, Petkova, & Sever, 2005; Verganti, 2008). Products come to have symbolic value when their value, at least in part, derives from the meanings they communicate. Further, both meanings related to identity and status (Goffman, 1959; Ravasi & Rindova, 2008), and to aesthetic experiences (Eisenman, 2007; Rindova, 2007) confer symbolic value. Importantly, in contrast to the majority of research on cultural and symbolic resources that has focused on cultural industries (cfr. Lampel, Lant, & Shamsie, 2000), these studies have studied firms operating in a variety of industries, conventionally considered to be outside the realm of cultural production, such as of furniture, lighting, fashion, cuisine, mobile phones and technological products in general.

In this paper we bring to bear some of the insights coming from these studies to an expanded understanding of the type of intangible capital that firms can deploy in the value-creation process, thereby enriching extant work conducted from a resource-based perspective. We believe that bringing greater scholarly attention to cultural and symbolic resources is vital for strategy research, as the field has lagged behind fields, such as anthropology, marketing and sociology, where issues of

cultural and symbolic consumption have been of central interest since the 1980s.

The purpose of our paper is to highlight the broader set of resources that have been identified by scholars studying non-North American firms and settings, in order to indicate promising avenues for future research to extend current thinking in strategic management and organizational theory about what type of resources firms deploy in the value creation process. To do so, we first summarize and integrate insights from extant research regarding the role of cultural and symbolic resources in strategy; and, second, build connections between these ideas and mainstream strategy by delineating similarities and differences between resources that have already attracted the attention of strategy researchers and their “cultural counterparts.” In our view, the latter are a subset of specialized resources that producers need to develop to engage in value creation based on the meanings associated with the products they make. We conclude by suggesting the ways in which mainstream strategy research could investigate such important resources.

## **THE CULTURAL DIVIDE**

The resource-based view has emerged as the dominant perspective in strategic management research since the 1990s (Barney & Arikan, 2001) emphasizing the importance of resources and capabilities for firm competitive advantage (Peteraf, 1993) and growth (Penrose, 1959; Wernerfelt, 1984). Resources are defined as “*the tangible and intangible assets firms use to conceive and implement [...] strategies* (Barney & Arikan, 2001, 138)” that allow lowering costs/increasing revenues beyond what would be possible without that resource or that are appropriate in

the market for gaining and sustaining a competitive advantage. The concept of resources is related to the concept of *capability*, which has been defined as the ability of the firms to develop and leverage on resources (Teece, Pisano, & Shuen, 1997). The idea that the attributes of resources and capabilities deployed affect firm performance has spurred a great deal of scholarly attention to the processes for managing different tangible and intangible resources and capabilities (cfr. Newbert, 2008), such as human resource capability (Déniz-Déniz & Saá-Pérez, 2003; Hatch & Dyer, 2004), technology-related knowledge (De Carolis, 2003; McEvily & Chakravarthy, 2002; Tripsas, 2009; Zahra & Nielsen, 2002), information technology (Zhu 2004), and marketing (Wang, Lo, & Yang, 2004).

Most of this research, however, is guided (and limited) by a set of assumptions about how firms create value, and therefore, what resources and capabilities are important for their value creating strategies. These assumptions center on ideas of technological innovation as a key driver for product advantage and value creation (Pitelis, 2009), and on the importance of firms' technical and process capabilities in delivering ever-improving functional products for competitive advantage. For example, whereas firm's choices about product design are said to include also parameters related to shapes, proportion, color and matter (Bloch, 1995; Christensen, 1995), extant literature has focused on understanding mainly how firms' resources and capabilities can affect technical parameters (Baldwin & Clark, 2000) that generate product functional properties (e.g. Henderson & Clark, 1990). As a result, the current approach provides only partial answer to the fundamental question in strategy research about how firms create value (Lepak, Smith, & Taylor, 2007; Pitelis, 2009).

The absence of investigation of cultural and symbolic resources by mainstream strategy research is surprising, given the wide recognition of the relationship between meaning and value in a variety of social sciences. Work in sociology (Bourdieu, 1984; Goffman, 1959), anthropology (Douglas & Isherwood, 1979/1996; McCracken, 1988) and marketing (Belk, 1988; Holbrook & Hirschman, 1982) has long emphasized the fact that individuals chose products not only because of their functions, but also because of the cultural and symbolic meanings they carry and confer to the user.

Such approaches are largely lacking from mainstream strategy research, especially focusing on North American contexts, where issues of culture-based value creation tend to be limited to the specialized domain of cultural industries (Glynn, 2000; Hirsh 1972; Lampel et al., 2000). Cultural industries are those concerned with the production of mainly "*non-material goods*" that are "*directed at a public of consumers from whom they generally serve as an aesthetic or expressive rather than clearly utilitarian function* (Hirsh 1972, 641-642)<sup>1</sup>." Scott (2006) expanded this definition and argued that cultural industries are concerned more broadly with "*the production, reproduction, and dissemination of symbolic material and services of all types* (18)." However, in this area of research the emphasis remains on products that are "*medium affect[ing] meanings*" such as arts, books, music, movies, and TV programs, often specifically excluding conventional goods. For example, (Scott, 2006, 308) explicitly states that "*the products we are talking about are not shoes or sausage.*" Therefore, we argue that questions related to symbolic and

---

<sup>1</sup> More recently, Hirsh (2000) extended the definition of cultural products also to some material goods such as gourmet food (359).



cultural bases of value creation remained contained in a specialized area of inquiry, with limited transfer of ideas to mainstream strategy research.

We argue that the field of strategy research would benefit from the exploration of the role of cultural and symbolic resources beyond the boundaries of the (traditional) cultural industries, as the potential to influence the meanings associated with goods in a given society exists in a variety of industry contexts. Our argument parallels the argument of Lampel and colleagues (2000) that dynamics of product innovation in cultural industries resemble the dynamism and uncertainty of high-tech industries. Further, we argue that technology and culture may be seen as two distinct, but complementary bases for innovation and value-creation (Eisenman, 2007; Rindova & Petkova, 2007). A powerful recent example of the interplay between technology and cultural meanings is provided by the success of Apple's iPod, which is largely attributed to the "cultural icon" status that the product acquired. As *Time* magazine explained: "The iPod was not the first digital music player to use the MP3 format when Apple launched it [...], but it is the only one to have become a cultural icon (Time, 10<sup>th</sup> December 2003)." As firms can embed meanings in their products in multiple ways (as we will discuss later), understanding how firms can render functional products more "symbolic", i.e. what resources, capabilities, and processes enable them to shape the meanings associated with their products in the market place — can open up an important new direction for strategic research on value creation.

A group of management scholars working primarily in Non-North American settings have begun to uncover how firms engage with the meanings and symbols in a given society to enhance the value of their products, and ultimately firm performance. Importantly, these insights

emerge from the analysis of firms' strategies not in traditional cultural industries (e.g. concerned with the production of cultural goods such as movies, literature, music) – where issues of cultural production are well understood- but in industries producing technology-based consumer goods, furniture, lightning, and food. For example, Lampel (2001) suggested that the use of "spectacle" for introducing product innovations speeds up their adoption as spectacle changes the "atmosphere surrounding the emergence of a new technology (304)." Rao and his French colleagues analyzed the cultural construction of the acceptability of the nouvelle cuisine in the French gastronomy between 1970 and 1997, and found that chefs were able to legitimate the innovations introduced by nouvelle cuisine by mobilizing identity-related cues that other chefs progressively resonated with a larger group of chefs (Durand et al., 2007; Rao, Monin, & Durand, 2005). Rafaeli and Vilnai-Yavetz (2004) showed that organizational artifacts such as the buses used by a transportation firm elicit emotional responses in external stakeholders who associated different meanings with the colors of the buses. In the same vein, Djelic and Ainamo (2005) uncovered the fact that the commercial performance of technological products such as mobile phones can be enhanced when products embeds meanings from the cultural environment. They found that the Finnish producer of mobile phones Nokia designs and develops new products that purposefully blend technological innovation and meanings that, on the one hand, resonate with the trends that are going on in the socio-cultural environment and that, on the other hand, are able to influence such trends in turn. Together these studies support the view that organizational artifacts are associated with a variety of meanings emanating from their formal and aesthetics properties (see Rindova & Petkova, 2007 for a discussion) and meanings inhere in organizational

artifacts beyond the subjective perceptions of the individuals using them (Fleming & Spicer, 2005).

Several studies also show that organizations routinely rely on the symbolic content of organizational artifacts, such as buildings and routines (Alvesson & Robertson, 2006) and product designs (Ravasi & Schultz, 2006) as symbolic resources to manage internal culture, build identity, and ultimately implement new strategies. In a field study of British new ventures, Zott and Huy (2007) highlighted that entrepreneurs are likely to acquire more financial and human resources if they mobilize symbolic resources that resonate with the socio-cultural context in which they are embedded. According to these authors, symbolic resources are identified in actions that draw other people's attention to the meanings of products or actions beyond their functional use, and are about conveying entrepreneur's credibility, professional achievements, and the quality of relationships with various stakeholders.

Insights on the use of cultural and symbolic resources have also been gained in studies of the fine fashion industry in Europe. This industry is exemplary of the production of symbolic objects (Gronow, 1997), and as such can help illuminating the use of cultural resources for the inscription of meanings of different types of products (Cappetta & Gioia, 2006). Indeed, firms in the fine fashion industry produce products that are bought and valued not for their function but for their symbolic meanings because "*buyers use [them] mainly as a way of making a statement about their personal identities, social status and aspirations* (Cappetta & Gioia, 2006, 199)." Such meanings shape also organizational artifacts (shops layout, decoration, logo style etc.) and organizational identity (manifested in employees and shop assistant behavior and appeal) and in this way

stakeholders' perceive both products and the producer itself as carriers of meanings (Cappetta & Gioia, 2006). The content of meanings ascribed to products and firms varies from firm to firm (Cillo & Verona, 2008). Firms in the fine fashion industry are said to develop capabilities to manage their understanding of societal culture, the way in which this understanding is transferred within the organization, and the way to manage designers and embed symbolic meanings into product form design (Cappetta & Cillo, 2008).

Finally, a recent stream of work on the context of Italian and European manufacturers of household products provides further evidence regarding the possibility of creating value and building competitive advantage on the basis of cultural and symbolic resources. For example, Verganti and collaborators (Dell'Era, Marchesi, & Verganti, 2008; Verganti, 2006) noted that Italian and other European manufacturers of kitchenware, furniture and lighting (e.g. Alessi, Artemide, Kartell and B&B Italia) pursue product innovations that are related to the meanings of products rather than their enhanced functionality or material aspects. Rindova and colleagues (2009) offered interesting analysis of the process of accumulation and exploitation of cultural (rather than technological) resources and capabilities and their impact on the development of innovative strategies. Across these studies, new understandings about how firms stay connected to broad socio-cultural trends and meanings have begun to emerge, expanding the current understanding of the relationships between cultural resources, organizational strategies, and value-creation outcomes. A common thread in the studies briefly reviewed here is that they have recognized that cultural resources are important for the creation of value by firms in different industries and have considered some aspects of how firms leverage such resources in their value-creating

strategies. As such, they provide the basis for our arguments regarding the need for strategy researchers to consider more comprehensive value-creation processes by investigating the role of a broader set of intangible assets.

To summarize, our argument is that the field of strategic management has lagged behind in the study of the effects of cultural and symbolic processes in markets, as work in sociology, marketing and anthropology has shown that a variety of industries (rather than those officially designated as “cultural industries”) are sites for value creation through engagement in meaning making. Consequently, mainstream strategy research has overlooked the importance of cultural resources and capabilities and the associated management processes as bases of value-creation and competitive advantage. A number of studies conducted in non-North American settings, however, suggests that firms can create value and advantage by developing and leveraging cultural and symbolic resources. Therefore, we argue that strategy research has much to gain from investigating more systematically the role of cultural and symbolic resources in value creation, especially as it relates to the demand-side of competition (Priem, 2007). To facilitate such integration, in the next section we discuss the core set of intangible assets that strategy research has focused on and draw parallels between them and their “cultural counterparts,” which we argue are the specialized resources that producers need to develop to engage in value creation based on the meanings associated with the products they make.

## EXPANDING THE BASKET OF INTANGIBLES

Intangible assets are often discussed as different forms of capital to evoke an economic metaphor that firms accumulate them over time and use them in a variety of ways to increase the overall returns on investment. Both the need for investment in accumulation and maintenance and the yielding of returns that can be appropriated by the firm are central to the definition of assets as a form of capital. The expected returns can be in the form of economic capital or other forms of capital (Bourdieu, 1984).<sup>2</sup>

Strategy research to date has emphasized three main types of intangible capital: "intellectual capital", "social capital", and "social approval capital." Based on our review of the studies discussed earlier, we suggest that organizations can accumulate, deploy, and derive economic benefits from two additional types of intangible capital – cultural capital and symbolic capital. To connect these forms of capital to the current issues and concerns of strategic research on intangible assets and value-creation, we first review briefly the core contributions of the work on intellectual, social, and social approval capital; and then highlight the similarities and differences between these forms of capital and the observations regarding the use of cultural and symbolic resources that emerge from studies conducted in non North-American settings.

### **Intellectual Capital**

Intellectual capital is defined as "*the knowledge and knowing capability of a collective entity such as an organization* (Nahapiet & Ghoshal, 1998, 245)." Therefore, it is composed by knowledge that firms

---

<sup>2</sup> For a detailed discussion of the different characteristics of capital, see Adler and Kwon 2002, 21-22.

exploit, build, and manage to implement their strategies. Knowledge is considered a critical resource for competitive advantage (Grant, 1996; Kogut & Zander, 1992) and a large body of research has been conducted on both knowledge management and the accumulation of specific types of technological knowledge and capabilities (Almeida, 1996; Brusoni & Prencipe, 2006; Dushnitsky & Shaver, 2009; Hargadon & Sutton, 1997; Mowery, Oxley, & Silverman, 1996). Intellectual capital derives from both individual (knowledge as a resource) and organizational characteristics (knowledge as a capability) and can be tacit and explicit at both levels (Hargadon & Fanelli, 2002; Nonaka, 1994).

Individual employees (engineers, scientists) are carriers of technical knowledge (e.g. Saxenian, 1990; Song, Almeida, & Wu, 2003) which is learnt during their education path and during their tenure in the firm (Bhide, 1994). The knowledge residing in individuals becomes knowledge of the firm through learning mechanisms such as experience accumulation and knowledge articulation and codification (Zollo & Winter, 2002), through integration of knowledge (Grant, 1996) and its embeddedness into routines (Levitt & March, 1988; March, 1991; Nelson & Winter, 1982). At the level of firm, knowledge is considered a (dynamic) capability (Grant, 1996; Nonaka, von Krogh, & Voelpel, 2006).

Multiple studies have explored a variety of issues related to the accumulation (and management) of this capital. For example, attention has been devoted to how to absorb knowledge from the external environment (Cohen & Levinthal, 1990), transfer it within (Ghoshal, Korine, & Szulanski, 1994; Szulanski, 1996) and across (Brown & Duguid, 1991; Szulanski & Jensen, 2006) firms boundaries and protect it from other firms (Agarwal, Ganco, & Ziedonis, 2009; Dushnitsky & Shaver,

2009); to what constitutes efficient governance mechanisms for preventing knowledge to spill-over via employees mobility (Klepper & Sleeper, 2005; Wang, He, & Mahoney, 2009); and to how to organize for exploiting knowledge transfer (e.g. Madsen, Mosakowski, & Zaheer, 2003). The accumulation of intellectual capital has been related to technological innovation manifested in new products and patents. Both internal knowledge development and search from distant external technological domains have been found to have beneficial effects on performance and advantage (Kim & Kogut, 1996; Rosenkopf & Nerkar, 2001).

### **Social Capital**

The origin of the concept is generally ascribed to Coleman (1988) and Bourdieu (1986/1993). Social capital can be defined as the "*various resources embedded in networks that can be accessed by social actors* (Martin, 2009, 185)" to facilitate their action. Much confusion surrounds the identification of components of social capital (see Adler & Kwon, 2002 and Granville & Bienenstock, 2009 for a review). According to Granville and Bienenstock (2009), social capital has three components: social networks (number of ties and density), resources (type and quantity) and reciprocity (felt obligations-Bourdieu 1986/1993, 250). First, different network structures allow firms to access different types of resources. For example, dense networks are beneficial for preserving resources whereas sparse networks are more beneficial for searching and leveraging resources not possessed by a given actor (Lin, 2001). Second, reciprocity is a component of social capital (rather than an antecedents or outcome). In order to exploit connections to get resources out of them, connections must be of a particular type, i.e. they must be connections of perceived



obligations (Bourdieu, 1986/1993). Third, the type and amount of resources possessed by other firms in the network, and accessible through such a network, determine the level of social capital within the network.

The process of accumulation of social capital is described as a conscious and unconscious long-term investment strategy designed to establish or maintain relationships of perceived obligation that can be accessed to some future occasion (Bourdieu, 1986/1993). Indeed, firms tend to accumulate different types of connections that can be leveraged at different times depending on need (Glanville & Bienenstock, 2009).

Social capital affects firm performance through the tangible and intangible resources that can be accessed through the network connections.

### **Social Approval Capital**

Social approval capital refers to a diverse set of resources *represented by stakeholders' perceptions of relative quality of firms' products, actions or positions either in absolute terms (reputation, celebrity) or with respect to industry norms (legitimacy) or to other firms in the same industry (status)*. Therefore, various intangible assets studied by strategy researchers such as firm reputation, status, legitimacy, or celebrity provide the firm with social approval capital. Yet, this approval has different bases and different consequences for stakeholder responses to firm actions (Pfarrer, Pollock, & Rindova, forthcoming). Each form of capital reflects stakeholder perceptions about different characteristic of the firm. For example, reputation refers to stakeholder perceptions about a firm's ability to deliver value along a series of strategic dimensions (e.g. product quality, management effectiveness, financial profitability) (Fombrun & Shanley, 1990); legitimacy reflects perceptions of

desiderability and appropriateness of firm's actions and structures relative to industry and societal norms (Suchman, 1995). Status is based on perceptions of a firm's standing in the hierarchy of quality and capability in a given industry or exchange network (Podolny, 1994). Finally, celebrity is based on large scale public attention focused on the firm and combined with strong positive emotional overtones (Rindova, Pollock, & Hayward, 2006).

These different forms of capital also accumulate through different processes (see Rindova et al., 2006 and Pfarrer et al., forthcoming for detailed discussion). For example, reputation accumulates through strategic actions that signal and deliver different levels of quality and value (Fombrun & Shanley, 1990; Rindova, Petkova, & Kotha, 2007; Rindova et al., 2005); legitimacy derives from conformity of firm's actions and structures to norms and beliefs in the industry, whereas celebrity, in contrast, accumulates through non-conforming actions that attract media attention and embellishment (Rindova et al., 2006). In fact, the accumulation of several of these assets has been related to actions of institutional intermediaries who have been argued to generate status ordering (Rao, 1994), endow actor with legitimacy (Meyer & Rowan, 1977; Suchman, 1995), define the content and composition of their reputation (e.g. Rindova et al., 2005) and construe them as celebrities (Rindova et al., 2006). While the specific processes of accumulation may differ, all of these forms of capital derive from favorable stakeholder perceptions, often combined with endorsement by institutional intermediaries, such as the media.

The effects on performance of social approval capital are well documented in management literature, as a large number of studies have

sought to relate the forms of capital to firm performance (Barnett, Jermier, & Lafferty, 2006; Deephouse, 2000; Hall, 1992; Jensen & Roy, 2009; Rindova et al., 2005; Roberts & Dowling, 2002). Collectively, these studies show that the value creation process is also affected by various types of perceptions that external stakeholders hold with regard to the firm; and that accumulating social approval capital is beneficial to firm performance.

More generally, the research on intangible assets has advanced by recognizing the value-creating effects of perception and cognition – at the individual, organizational, industry, and market levels of analysis (see Rindova, Reger, & Dalpiaz, forthcoming for a review). By analyzing how social interactions and attendants' perceptions accumulate and stabilize over time to create a set of intangible forms of capital, this research has provided a richer understanding of the type of resources through which firms create value. As a result, it has also expanded our understanding of the processes of value-creation and the means through which firms can gain and sustain advantageous positions in markets.

In this paper we seek to move this process forward by “expanding the basket of intangibles” that strategy researchers study to include cultural and symbolic resources. Theoretically, taking this broader view is important because it will enable strategy researchers to account not only for the effects of perception, cognition, knowledge, trust, and obligations, but also for the effects of culturally-situated meaning making processes. Although meaning making depends on perception, cognition, and knowledge, it is distinct in that it involves issue of self, identity, and the relationship of one to a social group and a cultural world. As a result, it

will enable strategy researchers to study cultural and symbolic dynamics in markets more systematically and to make distinctive contributions to the broader dialogue taking place in the social sciences with regard to the relationship between meanings and value. Pragmatically, a broader view of intangible assets will enable strategy scholars to study systematically previously unexplored processes of value-creation, thereby expanding our understanding of competition and competitive advantage.

Based on our review of the management studies carried out in Non-North American settings we discussed earlier, we propose that two additional forms of intangible capital affect the processes of value creation and exchange. Following French sociologist Bourdieu (1984; 1986/1993), who developed these concepts to analyze competition and consumption in cultural industries, we refer to them as *cultural capital* and *symbolic capital*. In these terms, “cultural capital” is the ability to “read” the complex interplay of meanings in a given society in order to use them for one’s distinction and therefore, social advantage (Sullivan, 2001). And “symbolic capital” is the public recognition of one’s distinction in the form of prestige, honor, or consecration (Bourdieu, 1986/1993). We argue that strategy scholars interested in the role of intangible resources for value creation should benefit from conceptualizing and understanding the cultural capital and symbolic capital at the firm level. In fact, evidence from studies on non-North American setting seems to point to the idea that firms can develop and exploit such cultural and symbolic resources to create value in novel, and currently poorly understood, ways.

### **Cultural Capital and Symbolic Capital**

So far we have highlighted the three forms of intangible capital that mainstream strategy research has emphasized: intellectual, social and

social approval capital; and have argued that studies conducted in non-North American settings point to the importance of other forms of intangible capital that are better understood as “cultural” and “symbolic.” These forms of capital have been recognized in the sociology literature at the individual level of analysis and related to the cultural embeddedness of actors into a web of meanings (Geertz, 1973). These meanings are extra-subjective (Weick, 1995) in that they exist independently of any one actor perceptions and are sustained through collective agreements and rituals.

***Cultural Capital.*** The concept of cultural capital was introduced by Bourdieu to explain the structure of society in classes (1984) and the structure of the field of cultural production and dissemination (1986/1993). Cultural capital is viewed as a distinct “*form of knowledge, an internalized code or a cognitive acquisition which equips the social agent with empathy towards, appreciation for or competence in deciphering cultural relationship and cultural artifacts* (Johnson, 1993, 7).” It has been further specified as knowledge about cultural figures and artistic movements, participation in cultural activities, such as reading, watching TV, listening and playing music, beaux-art activities, and the mastery of language (Sullivan, 2001). Basing on the work reviewed here, we define tentatively firm’s cultural capital as firm’s cultural knowledge and capability to manipulate it in activities and processes.

Studies conducted in non-North American settings suggest that firms can develop and exploit resources that resemble cultural capital. First, evidence exists that some firms endeavor to develop familiarity, and even competence, with cultural figures and artistic movements. For example, Artemide, a firm producing lighting systems, funded a world-

renown group of architects -- Memphis – in order to use it discover and learn new design languages (Verganti, 2006). Similarly, Rindova and colleagues (2009) find that the Italian manufacturer of kitchen and tableware Alessi developed collaborations with hundreds of designers, architects, and artists with various types of artistic skills ranging from urbanist architects to cartoonist and animators. Second, such familiarity is rare, as it tends to be generally outside the competence set in a given industry. Firms have an opportunity for earning economic profits from developing this capital *when* they identify ways to leverage it in product development and commercialization (see Rindova et al., 2009). Third, firm cultural capital appears to involve ability to “see” (i.e. to detect) and “understand,” i.e. to disentangle, contemporary social trends (Rafaeli & Vilnai-Yavetz, 2004) in a way that enables the creation of distinctive product offerings (Djelic & Ainamo, 2005). Importantly, it is related to ability to take action; it entails not only understanding of cultural phenomena and trends but deploying this knowledge for the purpose influencing them and creating new ones (Eisenman, 2007; Lampel, 2001; Verganti, 2006).

Cultural capital appears to be accumulated both through individual and organizational knowledge development. First, firms may have internal members endowed with cultural knowledge on their own and that act as interface between the firm and the cultural world. For example, studies have suggested European furniture firms creating products that are distinctive based on their meanings, tend to have design managers or CEOs with degrees in humanities (Dalpiaz, 2010), life-long relationships with architects and designers (Dell'Era et al., 2008), or are design experts themselves (Ravasi & Lojacono, 2005). For example, Stefano Marzano, CEO and chief creative director of Philips Design has been for years

professor at the Domus Academy in Italy and lecturer at Milan Politecnico. Under his guidance, Philips innovated product design to communicate meanings of affections and made Philips to become perceived as a producer of artful products (Ravasi & Rindova, 2008) collected by modern art museums.

Second, cultural capital develops in collaborations with artists, architects and cultural intermediaries (design schools and museums), who serve as conduit of knowledge of changing trends and artistic movements (Dell'Era & Verganti, 2009). Indeed, artists and architects as product designers act as “interpreters” of cultural trends for industrial purpose (Dell'Era et al., 2008). For example, firms such as Artemide, Alessi, Kartell in different industries such as furniture, lighting, furnishing accessories, kitchenware made their products designed almost exclusively by artists and architects with the explicit goal of being exposed to different artistic movements and personal languages and inscribing those meanings into product forms. The diversity of such architects also in terms of nationality brings to the attention of firms a variety of cultural approaches and product languages that could bring new meanings and therefore valuable innovations (Dell'Era & Verganti, 2009).

Third, cultural capital also develops as firms perform activities that infuse their processes and routines with greater cultural awareness. For example, in a study of an architecture practice in UK, Ewenstein and Whyte (2007) have argued that cultural knowledge derives from knowledge of cultural figures, artistic movements, and cultural trends, as well as from experiences that emerge through the implementation of knowledge into the design practice.

Fourth, firms actually adapt their activities or structures to be able to engage in cultural activities. For example, many Italian manufacturers of household objects and furniture and fashion accessories (e.g. Alessi, Kartell) have founded corporate museums. One of the stated goals was having a specialized interface to relate with cultural institutions such as modern art museums, organize exhibitions and loan products required by exhibition curators. Alessi for example receives 30 loans request a year from modern art museums around the world, organizes several exhibitions about specific product-related initiatives every year, and engage into publishing of books documenting the genesis and development of projects that are considered important for the novel cultural meaning of the resulting product.

Finally, the process for new product development is adjusted around the idea of encoding cultural meanings in products. In addition to the creation of specific roles, the overall process must change and become about the generation and assimilation of cultural knowledge through being open to meanings from the cultural world and adjust the practices for prototyping and mass production to different artistic languages. The process has been documented in studies about Italian manufacturers of kitchenware (Salvato, 2006), lighting (Zurlo, Cagliano, Simonelli, & Verganti, 2002), locks (Lojacono & Zaccai, 2004), and by some manufacturers themselves (Mellini, 2003; Polinoro, 1989). The main characteristics has been identified in making the process as exploration of new (cultural) knowledge rather than exploitation of existing one (Verganti, 2008). For example, Artemide develops purposefully collections of items that are not expected to be commercial success but that explore new languages and attract media coverage and reap design awards (Ravasi & Lojacono, 2005).



The effect of cultural capital is the production of objects that, like traditional cultural goods, have symbolic value. Indeed, firms that invest in their cultural capital can manufacture products that can be used for signaling user's distinction, taste and refinement or for betting such taste, in addition to the practical function they exert. In this way, firms can walk an additional path for value creation because they increase stakeholders' willingness to exchange resources (Ravasi & Rindova, 2008). By doing so, Italian and French firms in fine fashion and Italian furniture and household manufacturers became market leaders (Databank Industry reports various years). Moreover, by doing so, firms are not only able to exploit modification in the socio-cultural models in the market but also able to modify such models (Rindova et al., forthcoming) and trigger strategic renewal (Michlewski, 2008; Ravasi & Lojacono, 2005). For example, Ravasi and Lojacono (2005) have highlighted that the internal recognition of the importance of cultural knowledge for firms' product innovation is not only important for allowing firms to produce meanings that are valued by external audiences but it also constitutes a stimulus for strategic change.

To conclude, studies about non-North American firms suggest that firms as well as individuals can build and exploit cultural capital and indicate that it constitutes an important resource not only in the fine-fashion industry but in a broader array of industries that are not traditionally considered symbolic or cultural domains (Jones & Thornton, 2005) such as kitchenware, lighting, furniture, and consumer electronics manufacturing.

**Symbolic Capital.** At the level of individual, symbolic capital is defined as the degree of accumulated prestige, consecration and honor

(Bourdieu, 1986/1993) conferred by gatekeepers of the field of cultural production and dissemination (e.g. galleries, academies, critics, and museums). Basing on the work reviewed here, the symbolic capital at the level of the firm can be tentatively defined as stakeholders' perceptions of a firm, its products and artifacts as carrier of a given set of identity-related (social-positioning) meanings.

At the level of the firm, this form of capital bears similarities with social approval capital. Indeed, similarly to it, the symbolic capital of firms may accumulate through critics' judgments because experts' advices are "proxy" judgments of the potential benefit for customers of hard-to-value products and services (Wijnberg, 1995; Wijnberg & Gemser, 2000). Differently from social approval capital, however, symbolic capital accrues to firms for the distinctive, "special," identity-relevant and identity-enhancing characteristics of their products and activities. In other words, symbolic capital accrues to firms when what they do becomes personally meaningful to individuals, but in a way that is also socially distinctive. This suggests that symbolic capital adds value in a distinctive fashion because it doesn't attest strictly to either the quality, or legitimacy, or even popularity of the firm. It attests to its recognized ability to represent issues of society and identity.

The symbolic capital of a firm is based on the symbolic capacity of its products (Ravasi & Rindova, 2008) and artifacts (Cappetta & Gioia, 2006). The symbolic capacity is "a set of identity-related meanings ascribed to an object (Ravasi & Rindova, 2008, 275)." For example, Gucci's products, artifacts and explicit communication of firm's image signify "power, modernity, richness, elegance (Cappetta, Cillo, & Ponti, 2006)."

The accumulation of symbolic capital appears to involve a dual process of firm imbuing products with identity-relevant meanings and consumers detecting and appreciating them. To imbue their products and artifacts with meanings firms must have developed and deployed cultural capital, which enables them to select appropriate, relevant, and self-enhancing meanings from the broader cultural context. Stakeholders, in turn, perceive these meanings through direct experience of product and artifacts, as tangible objects, and through mediating communications provided by the advertising, launching, or merchandising contexts (Alvesson & Robertson, 2006).

Products indeed can be inscribed with elements that make them direct vehicles for communicating meanings (Rindova, 2007). Those elements are part of the form design of an object (e.g. its shape, color, material) and they are frequently referred to as the "design language (Mono, 1997)." Psychology studies have enriched this perspective by illuminating how forms can convey meanings. For example, studies have shown that alteration of basic forms, such as lines, conveys different (Goodnow, 1978) and universally given meanings (e.g. Larson, Aronoff, & Stearns, 2007 for a review). For example, angular V-shaped images and rounded images evoke opposing emotional meanings--angry and happy mood respectively (Aronoff, 2006). Also the psychoanalytical theory of transitional objects (Winnicott, 1971/1999; Winnicott, 1975/1992) has pointed in this direction: objects and their forms can evoke subconsciously universal experiences from childhood such as sense of assurance from maternal breast, and enjoyment of objects associated with play.

The meanings that audiences associate with an object also depend on the communications that surround the object (e.g. Alvesson &

Robertson, 2006) such as framing in advertising and media coverage (e.g. Keller & Lehmann, 2006), use of the object by celebrities who tend to be seen as representing different lifestyles and characters (Cappetta & Gioia, 2006), and by critics who may apply different criteria depending on their own social roles and aspirations (Capaldo, 2007; Wijnberg & Gemser, 2000).

While objects can evoke meanings directly, through their formal properties (Rindova & Petkova, 2007), the subjective states of perceivers, such as their idiosyncratic goals and own cultural resources (Hatch & Rubin, 2006; Holt, 1995) affect the process considerably, making meaning making a complex, stochastic process. As a result, firms vary not only in level, but also of content of their symbolic capital. For example, within the same level of status in the hierarchy of fashion firms (e.g. fine fashion), the symbolic capital of one firm (e.g. Gucci) differs in content from the symbolic capital of another one (e.g. Ferragamo), and that the difference lies in the diverse sets of meanings ascribed to each firm (Cappetta & Gioia, 2006). For example, one firm, its products and artifacts evoke meanings of classic, comfortable elegance, old-fashioned, whereas another firm, its products and artifacts evoke meanings of edgy, modernity, richness. What differentiates these two fine-fashion firms is neither the type of social approval capital (e.g. high status) nor the presence or level of symbolic capital (both of them have it) but its content (the meanings associated to the former firm, products and artifact are different in content from those associated to the latter).

The accumulation of symbolic capital enhances firm performance because it increases stakeholder willingness to pay, as they perceive value not only in the products' functions, but also in its capacity to communicate

about their social status and identity (Ravasi & Rindova, 2008). Indeed, consumers buy fine fashion clothing not to answer the need of protecting the body but to satisfy their need for social identification and distinction (Gronow, 1997) in the on-going negotiation of who they are (Keiser, Nagasawa, & Hutton, 1991) and who they are not (Freitas, David, & Kim, 1997).

In Table 1 we compare the five forms of intangible capitals across a number of dimensions.

-----*Insert Table 1 about here*-----

### **WHERE DOES STRATEGY MEET CULTURE?**

Drawing on observations from studies conducted in non-North American settings, in this paper we suggested that strategy research can develop a more comprehensive account of the value creation process by considering how it may be influenced by the development and deployment of cultural and symbolic resources. We briefly reviewed strategic research on the role of intangible assets and proposed that two additional forms of intangible capital need to be considered in order to advance our understanding of the role that firms play in cultural and symbolic processes in markets. We outlined some theoretical ideas that can guide research toward investigating the accumulation and use of these forms of capital –cultural and symbolic—at the firm level of analysis. Below we elaborate on some interesting directions for future research in the area.

## **Conceptualizing Cultural Capital and Symbolic Capital at the Level of the Firm**

We have discussed that strategy research has provided important contributions in investigating the conceptualization and deployment of various forms of intangible capital such as intellectual, social and social approval. In this paper, we have highlighted and linked together various management contributions that seem to pinpoint to the importance for firms' strategy of the same set of intangible resources that sociologists have analyzed at the individual level, i.e. the cultural and symbolic capital. While we have provided some theoretical ideas about what these assets are at the firm level of analysis and how they may be accumulated and put to work, much conceptual and empirical work awaits strategy researchers in order to develop substantive understandings of how these forms of capital operate at the firm level of analysis, how they differ from, as well as how they interrelate with their more commonly studied counterparts.

A systematic investigation of the processes of accumulation and deployment of these capitals has much to offer to strategy research seeking to understand the dynamics of resources accumulation and capability development in general, as well as the effects of asset interconnectedness on the specific bases, on which firms outperform competitors. For example, Rindova, Dalpiaz, and Ravasi (2009) provide an intriguing account of the processes and mechanisms through which firms operating in conventional industries can enrich their repertoire with cultural knowledge from different domains in order to effect strategic change. Their study shows that the process is fraught with contradictions and uncertainty, but also highly rewarding in terms of the competitive

advantages it bestows. Research investigating the conditions under which it is beneficial for firms to undertake such strategic change can add much value to our current understanding of competitive advantage and industry evolution.

Our discussion of the accumulation processes associated with these forms of capital suggests the importance of future research that examines how their accumulation affects the ability of a firm not only to create, but also to capture value, as two issues appear salient. First, many of the studies that provided the basis for our theoretical ideas suggest the importance of actors external to the organization, such as renowned architects or design experts, as well as gatekeepers and critics for developing these forms of capital. In the context of more traditional types of resources this would suggest that these actors may stand to capture much of the value created in the process. Yet, the extent to which this dynamic holds in contexts where firms may be seen as co-creators and/or enablers of creative expression, needs to be examined. Second, as consumers adopt firm products as means of personal expression, they may provide firms with innovative ideas and deep understandings of social dynamics, thereby lowering the cost of product innovations and extensions.

Our general point here is that the forms of capital we have proposed are both similar and dissimilar to the core intangible assets, of which they are counter-parts. Therefore, it is important for strategy research to investigate and understand the specific similarities and dissimilarities. Subsuming cultural capital under intellectual capital may limit our understanding of its distinctive contribution to the value creation process; and vice-versa, failing to recognize that cultural capital is based on a type

of knowledge, as is intellectual capital, may limit the understanding of the common management aspects of both, as well as their “combinability.” Our larger point is that only after these forms of capital are recognized theoretically and explored empirically, their effects on the overall value creation process can be understood.

### **Exploring Interconnections among Different Forms of Capitals**

Whereas the link among intellectual, social and social approval capital has been already explored (e.g. Nahapiet & Ghoshal, 1998; Martins 2009), future research should investigate how cultural capital and symbolic capital relate to each other and how they relate to the other forms of capital. Investigating questions regarding how cultural and symbolic capital may combine with other resources and capabilities in the firm, as well as the question of how they can be converted into economic capital, is central to incorporate these topics into mainstream strategy research and develop a better understanding of the mechanisms through which these forms of capital contribute to value creation and capture. Insights should be gained with regard to how these different types of resources interact with each other, how firms can develop and manage them simultaneously, what are the practices and structures that firms adopt in order to deploy and blend them within organizational process.

For example, it has been argued that social capital is a substitute of economic capital when connections to relevant actors compensate for the lack of financial resources in order to attain a given goal (Adler & Kwon, 2002). Similarly, it can be argued that symbolic capital may be a substitute for economic capital as its possession may reduce the need for costly investments in advertising (Shapiro, 1983). However, the opposite argument can be made too that the possession of symbolic capital



requires sustained investments in advertising to maintain symbolic capital (while at the same time reducing the need for, and the costs of, developing products with cutting-edge cultural resonance.)

Further, symbolic capital seems to relate to social approval capital both in a direct and indirect way. Indeed, the content of symbolic capital leveraged or communicated by firms determines the likelihood of accumulating social approval capital in the form of legitimacy (Zott & Huy, 2007). It seems reasonable to believe that symbolic capital can be converted into social approval capital also through exploiting social capital. Indeed, studies in the fashion industry (e.g. Breward, 2003) seem to suggest that connections to arbiters in one's network (fashion magazines and their editors) not only are needed to build or maintain stakeholders' perceptions about the meanings evoked by a fashion firm and its products (i.e. its symbolic capital), but also to build its reputation or define its status relatively to competitors (i.e. its social approval capital). Future research therefore should investigate thoroughly what are the processes through which firms can manage external perceptions to accumulate and communicate symbolic capital in addition to the intermediation of arbiters (Breward, 2003) and critics (Wijnberg & Gemser, 2000).

Cultural capital too may relate to other forms of intangible capital in important ways. Some of the work that has alluded to this asset suggest that it may complement intellectual capital, as the knowledge about technology and processes (composing intellectual capital) appears to underlie the capability of firms to create novel product forms that innovate in terms of product cultural meanings. Verganti (2008) emphasizes that firms must master technology and production processes in order to be able to produce products having the forms designed by artists. Future

research therefore should investigate how the two forms of knowledge interact in both product development and production processes. In addition to complement it, cultural capital can also push for the development of intellectual capital. For example, Italian manufacturers such as Alessi and Kartell have enhanced their knowledge in technology and production processes in order to produce objects as designed by artists and have also expanded their technical knowledge in different domains from the original one. Alessi for example has expanded its production capabilities to include technologies of different materials such as plastic, glass and ceramic (Rindova et al., 2009), thereby enabling the firm to participate in variety of industries and serve a variety of customer segments.

Cultural capital relates also to social capital. For example, connections to artists, museums, architects etc. are essentials for building and accumulating cultural knowledge and for engaging in cultural activities because they are the gatekeepers to the cultural world (Verganti, 2006). Yet, cultural capital enables a firm to expand its social capital because it enables the firm to recognize new artistic movements and/or artists that can enhance the symbolic capacity of its products.

## **CONCLUSIONS**

In this paper we seek to suggest a new direction for strategy research by emphasizing the role of cultural and symbolic resources in value creation processes. The need for strategy research to move in this direction results from the growing evidence and knowledge regarding the interplay between culture and markets, meaning and value that has been developed in the areas of sociology, anthropology, and cultural studies

over the past 30 years. Yet, strategy researchers have largely remained outside this conversation due to the limited attention they have given to the cultural and symbolic processes in industries that are not considered “cultural industries.” The opportunity for substantive progress in this direction arises from the confluence of two research developments: the accumulated theory and evidence in strategic management research regarding the value of intangible forms of capital, such as intellectual, social, and social-approval capital; and the development of a set of studies conducted in non-North American settings that clearly point to the value-creating potential of cultural and symbolic resources. In seeking to connect the two, in the paper we hope to stimulate strategic management research that is theoretically richer and pragmatically more relevant providing a more comprehensive view of the value creation process.

**TABLE 1**  
**Comparison of the Five Forms of Intangible Capital**

	Types of intangible capitals discussed by mainstream management literature			Types of intangible capital hinted by management literature in NNAS	
	Intellectual	Social	Social Approval	Cultural	Symbolic
<b>Definition</b>	"knowledge and knowing capability of a collective entity such as an organization (Nahapiet & Ghoshal 1998, 245)."	"Various resources embedded in networks that can be accessed by social actors (Martin, 2009, 185) "to facilitate action (Adler & Kwon 2002, 17)."	Set of resources represented by stakeholders' perceptions of quality of firms' products, actions or positions either in absolute terms (reputation, celebrity) or with respect to industry norms (legitimacy) or to other firms in the same industry (status) (Pfarrer, Pollock, & Rindova, forthcoming).	Firms' a) cultural knowledge; b) capability to manipulate it in firm's activities and processes.	Stakeholders' perceptions of a firm, its products and artifact as carrier of a given set of identity-related (social positioning) meanings.
<b>Components</b>	<p>Technical or process knowledge (individual level)- largely codified.</p> <p>Capability to manage technical or process knowledge (at the firm level).</p> <p>Other types of knowledge and capability, e.g. about markets (Wang et al., 2004), human resources (Hate &amp; Dyer, 2004), etc.</p>	<p>Network (number of ties and density), reciprocity (felt obligation— Bourdieu, 1986), and resources (types and quantity) potentially available to the actor in social exchange (Glanville &amp; Bienstock, 2009).</p>	<p><i>Reputation</i>: perception of firm's quality along a series of strategic dimensions such as being a producer of quality products (Shapiro 1983), financially sound and managerially effective (Dollinger et al., 1997).</p> <p><i>Status</i>: perception of a firm's standing in the hierarchy of quality and</p>	<p>Cultural knowledge: knowledge of artistic movements, artists, and possession of the code to understand meanings of artworks and cultural objects (Sullivan, 2001).</p> <p>Ability to see and understand contemporary social trends about fashion and taste and ways to</p>	<p>Symbolic capacity of firms' products (Ravasi &amp; Rindova 2009) and artifacts (Cappetta &amp; Gioia 2004)</p> <p>Brand</p>

capability in a given industry or exchange network and that can transcend from actual quality and capability (Podolny 1994).

*Legitimacy*: perception of desirability and appropriateness of firms' actions and structures relatively to industry norms (Suchman, 1995).

*Celebrity*: large-scale public attention focused on the firms and combined with strong emotional overtones (Rindova et al., 2006).

signal distinction (Djelic & Ainamo, 2005)-largely tacit and volatile.

Routines to deploy the above types of knowledge across organizational activities and processes.

<b>Sociocognitive basis of the capital</b>	Individual Learning Organizational learning	Structural relationship: internal and external ties and their morphology (Glanville & Bienenstock 2009; Nahapiet & Ghoshal 1998; Adler & Kwon 2002)  Cognitive relationship: shared representations, interpretations and system of meanings among parties in terms of norms and beliefs guiding action in a field and shared codes (Nahapiet & Ghoshal	External perceptions about firm's quality along different dimensions.  External validation by institutional intermediaries (e..g. Martins 2005; Rao 1994; Deephouse 2000; Meyer & Rowan 1972).	Individual level: family of origin, social class; education (Bourdieu, 1986)  Firm level: Position in the field of cultural production and diffusion; learning.	Perceptions of firm and its products as carrier of meanings that are instrumental to stakeholders to distinguish themselves
--	--	--	--	---	---

---

		1998).			
		Relation: reciprocal obligation (Glanville & Bienenstock 2009).			
<b>Effects of capital on firm's performance</b>	E.g. innovation, e.g. technological innovation (Kim & Kogut, 1996; Rosenkopf & Neckar, 2001).	Information (Adler & Kwon 2002): Access to a broader set of information and of information of higher quality, relevance and timeliness.  Power/influence (Adler & Kwon 2002).  Solidarity (Adler & Kwon 2002): facilitates compliance with norms and reduces need for formal control.	Stakeholder's willingness to exchange resources with the firms, and improved ability to access other resources (Barnett et al., 2006; Deephouse, 2000; Hall, 1992; Jensen & Roy, 2009; Rindova et al., 2005).	Products as cultural goods (because they carry cultural meanings), that increase stakeholder's willingness to exchange resources with the firms  Trigger strategic renewal (Ravasi & Lojacono, 2005).	Stakeholder's willingness to exchange resources with the firms.

---

## **ESSAY 2**

### **A CULTURAL QUEST: A STUDY OF ORGANIZATIONAL USE OF NEW CULTURAL RESOURCES IN STRATEGY FORMATION\***

This paper has been co-authored by Elena Dalpiaz's dissertation co-chairs: Violina Rindova (University of Texas-Austin) and Davide Ravasi (Bocconi University).

Early research in cultural sociology conceptualized culture as taken-for-granted values, norms, beliefs, and symbols acquired through socialization (Wrong, 1961), which shape action in predictable, culture-reproducing directions (see Peterson, 1979, p. 161). A more recent perspective conceives of culture as a flexible toolkit of cultural resources that are used by individuals to develop different strategies of action and to achieve different goals. The view of culture as a toolkit from which individuals draw cultural resources “in varying configurations to solve different kinds of problems (Swidler, 1986, p. 273)” has become increasingly influential in the sociology of culture (DiMaggio, 1997) and has spurred a vibrant body of work. Individuals have been shown to use cultural resources flexibly in political settings to change ideas and practices (Berezin, 1997), in law to produce legal sentences that challenge existing ways of thinking (Calavita, 2001), in social movements to frame the direction of change and its implementation (Benford & Snow, 2000; Weber, Heinze, & DeSoucey, 2008), and in a variety of contexts to establish social boundaries and identities (Lamont & Molnar, 2002; Lamont & Thévenot, 2000; Swidler, 2001).

How individuals use cultural resources depends on their cultural repertoires (Swidler, 2001). Cultural repertoires consist of those resources that individuals have selected from the broader societal cultural toolkits “of symbols, stories, rituals, and worldviews (Swidler, 1986, p. 273) and have learned to use. From the societal cultural toolkits, individuals tend to select resources that resonate with their identity, enable them “to be a certain kind of person (Swidler, 2001, p. 72)” and identify them as members of a social group (e.g. Lamont & Thévenot, 2000). Furthermore, how individuals use cultural resources in their repertoire depends on life experiences and circumstances. In stable life situations, for example,



cultural resources tend to “harden into formulas (Swidler, 2001, p. 55)” and lead to standard strategies of actions.

A central insight that has emerged from this research is that: individuals’ cultural repertoires enable them to conceive diverse strategies of actions to address different situations. Thus, although in a path-dependent and identity-constrained manner, culture provides individuals with a toolkit from which they can select resources to take strategic actions and effect change. This view of culture as a toolkit holds considerable promise for understanding strategic action and change at the organizational level of analysis.

Indeed, a recent stream of organizational research has begun to explore how organizations use cultural toolkits (Ocasio & Joseph, 2005; Osterman, 2006; Weber, 2005; Zilber, 2006). Whereas Swidler’s (1986) original formulation referred to different forms of cultural resources, including stories, concepts, symbols, and myths, organizational research has studied organizational cultural repertoires primarily in terms of the concepts used to guide organizational practices.<sup>3</sup> This research suggests that organizations tend to select and use cultural resources from within the registers of their industries (Weber, 2005). Industry registers consist of the entirety of concepts produced by and available to members of a collectivity to interpret situations and develop strategies of action (Weber, 2005). Registers therefore comprise a set of cultural resources that are understood and accepted as appropriate and relevant for the industry (Porac, Thomas, & Baden-Fuller, 1989). From industry-specific registers, competing organizations select a subset of resources that inform their

---

<sup>3</sup> Concepts are culturally situated, extra-subjective frames for understanding social reality (Munir and Phillips 2005) that organize knowledge in a particular domain and provide relatively shared schemas guiding actions in a collectivity (DiMaggio 1997; Hargadon and Douglas 2001).

specific practices and become their cultural repertoires. For example, in a study of the pharmaceutical industry, Weber (2005) finds that pharmaceutical companies assemble their repertoires from concepts available in the industry register and use them to formulate competitive strategies and to establish different terms for human resource management. Similarly, Ocasio and Joseph (2005) show that organizations change the corporate governance concepts in their repertoires to mirror changes in their surrounding institutional context, and Zilber (2006) shows that high-tech Israeli companies use concepts from the Israeli political system in recruitment communications. Together, these studies show the importance of understanding how organizations use cultural resources and stress that organizational cultural repertoires are largely derived from the subset of cultural resources legitimated within their industry registers or institutional contexts.

A different stream of organizational research has investigated the consequences of the use of cultural resources from outside an organization's industry register. This research emphasizes that the use of such resources is difficult, and potentially detrimental to organizations. Oakes, Townley, and Cooper (1998), for instance, document the tensions arising from the forced introduction of business concepts in the provincial museums and heritage sites of Alberta. Similarly, arts organizations that try to incorporate business concepts into their repertoire to become more commercially focused have been found to experience internal tensions (Caves, 2003; Fine, 1992; Glynn, 2000) due to the conflict between commercial considerations and the expressive function of arts (Eikhof & Haunschild, 2007; Hirsch, 1972). In sum, this research suggests that organizations tend to use primarily cultural resources from their industry registers and legitimated institutional contexts, and that doing otherwise

is difficult and costly. As a result, whether and how organizations can expand their cultural repertoires with new cultural resources from outside their industry registers and the resulting consequences for their strategies remains poorly understood.

To address these questions, we undertook a study of the evolution of the cultural repertoire of Alessi, an Italian producer of household goods, between 1970 and 2006. During this period, Alessi transformed itself from a national producer of cold-pressed steel serving tools (e.g. trays, baskets, and teapots) into an internationally renowned producer of a wide range of high-end kitchenware, tableware, and bathroom products. Today, Alessi's products are recognized for their aesthetic and artistic quality and are exhibited in prestigious modern art museums around the world (Gabra-Liddell, 1998; Sweet, 1998). We combined the methods of longitudinal case analysis (Pettigrew, 1990; Yin, 1994), grounded theory building (Glaser & Strauss, 1967; Strauss & Corbin, 1998), and content analysis (Carney, 1972) to analyze the specific cultural resources that Alessi incorporated in its repertoire and the related changes in its practices and strategies. These analyses enabled us to trace four successive rounds of incorporation of new cultural resources in Alessi's repertoire. Observations across these rounds led to the development of a robust theoretical model that relates a process of cultural repertoire enrichment coupled with identity redefinition to the formation of unconventional and versatile new strategies of action. Our model contributes to organizational research a novel theoretical understanding of the use of cultural resources in strategy formation and change.

## RESEARCH METHOD

### Research Setting

***Strategic Change at Alessi.*** Our study is an inductive inquiry (Glaser & Strauss, 1967) carried out through an in-depth, longitudinal analysis of an extreme (Pettigrew, 1990) and revelatory (Yin, 1994) case. Alessi provided an excellent research setting as it engaged in a clearly demarcated strategic change process. In the late 1960s, Alessi was the technological and market leader in the tableware segment of the Italian metal household industry, due to its advanced skills in cold-pressed steel production. In 1970, Alberto Alessi, the founder's grandson, joined the organization and, despite its positive economic performance, he steered it in a radically different direction – using industrial production methods to make art objects in steel. The first attempt in that direction failed, but in the following years, Alessi developed innovative practices in product design, production, and marketing based on concepts from the art register. In the early 1980s, challenges with the implementation of art concepts led to the incorporation of concepts and practices from the crafts register. Involvement in crafts, along with challenges encountered in direct applications of art concepts, led to the incorporation of additional cultural resources from the register of anthropology throughout the 1980s. During the 1990s Alessi incorporated concepts from the psychoanalysis register and during the 2000s it leveraged these developments in an increasing array of partnerships and licensing agreements.

***Contextual Conditions.*** We highlight several geographical, socio-cultural, and organizational conditions in order to properly situate the process of cultural repertoire enrichment that emerges from our

observations. First, Alessi is a medium-sized family firm located in Crusinallo, Northern Italy, in a metalworking industrial district – an environment rich in century-old crafts traditions. Its proximity to Milan embeds it in a network of relationships with a thriving design community and amidst an aesthetically-minded and wealthy national market (Crane & Bovone, 2006). These local and national cultural environments might have inspired the selection of specific concepts and facilitated some of the changes we describe.

While these contextual conditions may have facilitated some aspects of the change process, Alessi in many ways led the formation of close connections between design and industry in the region (Verganti, 2006). In the 1970s, industrial design in Italy was not “an activity tied to economics and market rules, but an operation of cultural and artistic content (De Fusco, 2002, p. 268).”<sup>4</sup> The Italian metal household industry, in which Alessi operated, had made some use of industrial designers but had done so with a commercial orientation. In this context, Alessi became one of the first *industrial* manufacturers producing steel objects to incorporate art-related concepts in its repertoire. Its innovation in this regard is widely recognized, as evidenced in the following statement in *The New York Times*: “The dawn of the latest wave [after the artistic movements of the past centuries] began in 1979, when Alessi invited 11 architects to design silver tea and coffee services (Brown, 1988).” Therefore, the processes and outcomes we observe are not the result of imitation of available strategic models, but represent a distinct process of strategic change enabled by Alessi’s cultural quest. Geographical, socio-

---

<sup>4</sup> The furniture industry was the first to employ industrial design while preserving its art-oriented principles (Branzi, 2004; Fusco, 2002). In 1972 the Museum of Modern Art (MoMA) in New York recognized the art-oriented nature of industrial design in the Italian furniture industry through an exhibition called “Italy: The new domestic landscape.”

cultural, and organizational conditions may have facilitated some specific aspects of the process. However, we observed four distinct periods during which Alessi incorporated cultural resources from different registers. These observations provide the basis for theoretical generalization (Glaser & Strauss, 1967) of the development of a robust theoretical model for the use of new cultural resources and strategic change.

### **Data Collection**

We used three main sources of data to trace the content, the process, and the consequences of the enrichment of Alessi's cultural repertoire: 1) corporate archives written by the organizational leader, consultants, and collaborators; 2) interviews with informants who lived through the process; and 3) external experts' publications from three different communities. Table 1 presents details on each of these sources and their use in our data analysis.

-----*Insert Table 1 about here*-----

### **Data Analysis**

Our data analysis combines established methodologies for longitudinal case analysis, grounded theory building, and content analysis. It involved travelling back and forth between the data and the emerging structure of theoretical arguments (Locke, 2001) in an iterative fashion. For the sake of clarity (Suddaby, 2006), however, we present our analysis in five broad sequential steps.

***Step 1. Longitudinal Reconstruction of Events.*** Following prescriptions for case-based research (Yin, 1994), we first created a case archive and a chronological description (97 pages) of Alessi's history, from its founding in 1921 to late 2006. Through this analysis we established a

timeline of the main changes in Alessi's strategy and the historical, social, and organizational contexts within which the changes took place. In this step, we identified 1970 as the initial point of the change process.

***Step 2. Mapping the Enrichment in the Cultural Repertoire.***

Next, following recent suggestions for the analysis of cultural repertoires (Weber, 2005), we mapped the changes in the content of Alessi's repertoire between 1970 and 2006. To this end, we used the content of corporate texts (books, book chapters, and transcripts of speeches) written by, or reporting the statements of, Alberto Alessi and his collaborators.<sup>5</sup> The purpose of this analysis was not to map the entire repertoire of Alessi at a given point in time but to analyze the addition of new concepts.

Following prior research (Corley and Gioia 2004; Weber 2005; Zilber 2006), we used sentences or paragraphs as coding units. We labelled each textual expression with either in-vivo codes (Van Maanen, 1979), that is, the language used in the text, or with simple descriptive phrases. Multiple specific textual expressions were then grouped into first-order codes. Two researchers conducted this open-coding process independently and generated the first-order codes, resolving occasional differences through discussion. We established links among first-order codes (Strauss & Corbin, 1998) in the next round of axial coding. All three researchers evaluated similarities in first-order codes and suggested theoretical labels in relation to the evidence contained in the historical case and interviews

---

<sup>5</sup> Specifically, this subset of the database consisted of four books authored by organizational members (Mendini 1979, CA19; Scarzella 1985, CA30; Polinoro 1989, CA25; Alessi 1998/2003, CA13), three books about Alessi authored by external actors (Gabra-Liddell 1998; Meneguzzo 1996; Sweet 1998), 24 chapters from other books published by Alessi, four catalogues, and three internal documents, for a total of more than 300 pages of text.

(Corley & Gioia, 2004). To illustrate, we grouped the first-order codes, “product form as expression of artistic language” and “formal innovation,” under the more general second-order code (concept) “value of form.” These second-order codes represented our “working hypotheses,” which we then tested against all available data using the constant comparison method (Glaser & Strauss, 1967). Unprompted use of concepts by our informants during the interviews reassured us that these were not simply the ideas of the organizational dominant coalition but instead served as cultural resources for organizational members. Finally, we linked second-order codes (concepts) into four clusters, associated to four registers (Weber, 2005): arts, crafts, anthropology, and psychoanalysis. In a fifth cluster, we grouped the concepts that our informants used to characterize the register of Alessi’s industry – the household industry. We inferred an association between concepts and clusters based on informant statements and theoretical work regarding these registers.

***Step 3. Relating Concepts and Changes in Organizational Practices.*** Having traced the incorporation of new concepts into Alessi’s repertoire, we then analyzed their effects on organizational practices. In a separate round of coding, we traced the changes in organizational practices using three broad categories – product development, manufacturing, and marketing and distribution – and analyzed the relationships between concepts and practices.

***Step 4. Documenting Consequences for Organizational Strategies of Action.*** In this step we examined the effects of the new practices on Alessi’s product-market strategies. We observed that the changing practices of product development, production, marketing, and distribution enabled Alessi to compete in the marketplace through



strategies of action that were not only new for Alessi but also, in many cases, to the industry. This analysis led to the identification of unconventional strategies and strategic versatility as beneficial outcomes of the process.

***Step 5. Developing the Grounded Model.*** We conducted a round of selective coding to combine observations and insights generated in the analyses of four rounds of incorporation of new cultural resources at Alessi. The four rounds served as “embedded units of analysis (Eisenhardt, 1989),” across which observations were compared and emerging theoretical insights verified. The robust theoretical model we develop is based on observed relationships across the four rounds. Consistent with past research (Corley and Gioia 2004; Pratt et al. 2006), we present our data structure in Figure 1. Follow-up meetings with key informants verified the correspondence between our theoretical insights and their experiences, and enhanced the internal and external validity of the theoretical model. The model underwent multiple revisions based on suggestions by informants from Alessi and academic colleagues.

----- *Insert Figure 1 about here* -----

## **ALESSI CULTURAL QUEST: TOWARD A THEORETICAL MODEL OF THE USE OF CULTURAL RESOURCES IN STRATEGY FORMATION**

In this section, based on Eisenhardt and Graebner’s (2007) recommendation, we report our findings by presenting empirical observations followed by theoretical insights. Figure 2 presents the overall theoretical model that emerged from our analysis. The model consists of four core blocks. The first block, “Incorporation of Cultural Resources from Different Registers,” represents repeated observations (over the four

rounds) of how addition of new cultural resources led to new practices in product development, production and marketing. These new practices increased uncertainty about the commercial success of products and revealed contradictions among concepts. Two processes represented in the two blocks labeled “Cultural Repertoire Enrichment” and “Identity Redefinition” mitigated these challenges. Together, these processes led to two beneficial outcomes, represented in the fourth block: “Unconventional Strategies” and “Strategic Versatility.” Below, we present the evidence and theoretical insights regarding the constructs in each block.

-----Insert Figure 2 about here-----

### **Incorporation of Cultural Resources from Different Registers**

This section describes the process of incorporating new cultural resources in an organizational repertoire through a) the addition of new concepts, b) changes in organizational practices, and c) the resulting challenges. Relations between new concepts and practices are summarized in Table 2.

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

***Blending Steel and Arts: Incorporating Arts Concepts.*** Prior to 1970, Alessi was a manufacturer of traditional household products in metal for the catering trade and the consumer market. Interviews with informants and archival data suggested Alessi’s “historical” cultural repertoire emphasized PRODUCTS AS FUNCTIONAL TOOLS, TECHNOLOGICAL INNOVATION, PRODUCT QUALITY, CONFORMITY TO INDUSTRY STANDARDS, EFFICIENCY, and COMMERCIAL POTENTIAL. For example, the importance of being at the forefront of technological innovation was exemplified in its corporate motto: “If Alessi can’t do it, then it can’t be made in steel (ID22).”

When Alberto Alessi joined the firm in 1970, he steered the firm in a new direction that an informant summarized as “art applied to industry.” To this end, in 1972 Alessi invited famous European sculptors, such as Giò Pomodoro and Salvador Dalì, to design small sculptures that could be produced industrially. The project was a dramatic failure that jeopardized the survival of the organization. Despite the failure, in the following years Alberto Alessi sought alternative routes for combining art and steel. He commissioned product design from graphic designers and architects, whose designs used the principles of applied arts. These developments were associated with new conceptualizations of products and customers using concepts from the arts register (PRODUCTS AS ART WORKS, VALUE OF FORM, and AUTHORSHIP).

The concept of PRODUCTS AS ART WORKS emphasized that product design is an artistic activity—in the words of Alberto Alessi, “a Global Creative Discipline [...], and not one of the many tools at the service of marketing and technology to produce and sell better (1993, CA9).” This concept suggested that designers are free to break formal conventions (Crane, 1999) and produce objects with artistic content (Gaut, 2007), including being able to express an artist’s point of view (in our data, discussed as “capacity of blending different languages into a distinctive one”), being intellectually challenging and formally complex (in our data, referred to as “design that makes objects ambiguous,” “design difficult to understand”), and having a strong visual impact through product form (in our data, referred to as “high-visual impact” or “resolute image”). This concept was associated with the concept of AUTHORSHIP, which recognized the additional value conferred by the “signature” of a renowned architect or designer. The concept of VALUE OF FORM related

these two concepts with the idea that Alessi can create value through product form.

The addition of concepts from the art register led to significant changes in product development and marketing and distribution. Previously, Alessi's in-house designers, working in the technical office, had designed its products. To implement arts-register concepts, Alessi began extensive *collaborations with acknowledged artists*.<sup>6</sup> The technical office not only lost its authority over product design but was now required to "translate" artistic sketches into precise manufacturable specifications. An informant from the technical office described the task as being "between the anvil and the hammer (ID9)." The ample freedom granted to designers to design forms with little concern for product usability required expensive prototyping and manufacturing. This frustrated cost-conscious senior technicians, who subscribed to the concept of EFFICIENCY that had been central to Alessi's repertoire until the early 1970s. One of them recalled:

*I worked with the most important designers and sometimes we had some difficulties, so I would walk up to Alberto, his father, or his uncle, and tell them: 'Let's not do it. Not unless the architect decides to modify it. Not that much, but at least this part here: it makes our costs double!' But usually Alberto would win (ID21).*

Artistic considerations frequently clashed with, and often overrode, FUNCTIONAL and COMMERCIAL considerations – sometimes with positive results, sometimes with negative ones. For example, the concepts of AUTHORSHIP and VALUE OF FORM conflicted with the concept of CONFORMITY TO INDUSTRY STANDARDS. Hotels and restaurants, which in the 1970s still represented Alessi's core customer segment, relied on these industry standards to mix and match products from different

---

<sup>6</sup> Text in italics refers to specific practices about which we provide more details in Table 2.

producers and series. The concepts of VALUE OF FORM and AUTHORSHIP also clashed with the concept of PRODUCT AS FUNCTIONAL TOOL. These concepts justified putting in production objects of limited functionality that were judged to be “highly artistic.” In fact, emphasis on VALUE OF FORM increased the market uncertainty even for well-functioning products, as evidenced by the three kettles designed by Michael Graves, Aldo Rossi, and Richard Sapper that Alessi put in production in the second half of the 1980s. Despite comparable functional performance, these kettles exhibited different formal properties and generated different market outcomes – two “best-sellers” and one “fiasco” (in Alessi’s terms).

To summarize, following a failed effort to produce art objects made of steel, Alessi incorporated concepts from the register of art into its repertoire throughout the 1970s. It used these concepts to reshape its practices of product development, production, and marketing and distribution. Many of the choices it made in these areas were both costly and uncertain in terms of their economic pay-offs. However, they were necessary for implementing the new cultural resources in the core organizational activities.

***Arts Needing Crafts: Incorporating Crafts Concepts.*** The implementation of concepts from the arts register led Alessi to seek the help of crafts workshops, as its production methods often proved inadequate to execute the complex and unusual forms created by artists-designers (1983, CA29). Initial *collaborations with crafts workshops* were born out of necessity. However, over time they intensified and began to influence Alessi’s cultural repertoire. By the early 1980s, the concept of CRAFTS VIRTUOSITY appeared in corporate texts discussing current projects. Skill virtuosity – defined as the mastery of techniques and

materials – has been articulated as one of the distinguishing characteristics of crafts (Becker, 1978, p. 864). Alessi introduced this concept as complementing the concept of VALUE OF FORM because the collaboration between a designer and craftsman was seen as “a circular process, in which the creative skills of designers, the nature of materials, the mastery of techniques, and the manual character of making realize in a unitary and compact way a quality product (1989, CA25).”

The concepts from the crafts register, however, generated clashes with the industrial production methods and increased production costs. For example, the production of Richard Sapper’s kettle underwent a year-long search for a craft shop that could produce “a whistle that would release a pure melody, more precisely E and B (1989, CA25)” (which was Sapper’s explicit specification). In response to such challenges, Alessi changed production practices to include *small-scale production*. These were used for products considered of high cultural and artistic value but of limited COMMERCIAL POTENTIAL. Although small-scale productions increased Alessi’s production flexibility and ability to synchronize its market projections and production plans, they frustrated technicians who had to develop new machinery to manufacture a small number of objects. An informant described the experience as follows:

When I saw that square aluminum pot I said: ‘I’d rather go home than work on that thing. Do you want to make a museum piece? Go ahead and make a museum piece. We can make ten of them without having to build the machines. We make them by hand and put one in the museum in New York, one in Milano [...] but I am not building the equipment and all that stuff (ID 21).

Alessi associated crafts production with the concept of EXPLORATION because it saw crafts as “a productive sphere that, with its characteristics of flexibility and the absence of big technical constraints, could become a fertile experimental terrain [...] for industry (1989, CA25).” To deepen its knowledge of crafts methods, at the end of the 1980s Alessi acquired two crafts workshops with which it had collaborated for a decade. In summary, because its production methods could not support the new product development practices inspired by concepts from the arts register, Alessi began working with crafts workshops. These collaborations intensified over time and were accompanied by the incorporation of concepts from the crafts register. Crafts concepts helped Alessi implement arts concepts and develop more flexible production methods.

***Discovering Rituals and Culture: Incorporating Anthropology Concepts.*** As a part of its involvement with craftsmen, in the early 1980s Alessi undertook a research project to develop a Neapolitan coffee maker. An old Neapolitan tin-craftsman crafted more than a hundred prototypes for this product. These prototypes differed drastically from the types of prototypes developed by artist-designers and, in the words of Alberto Alessi, “shook [Alessi’s] industrial confidence (1989, CA25).” Although the project itself was a commercial failure, it led Alessi to reflect on the relationship between household products and social traditions, and to incorporate concepts from the register of cultural anthropology. The concept of CONSUMPTION RITUALS addressed how household products are included in daily routines and serve ritual functions that preserve collective taken-for-granted beliefs about the meanings of objects over decades or centuries. The concept led Alessi to launch a special *seminar* involving artists and scholars charged to investigate the topic of “food, its

rites, and its tools (1982, CA4)" and inform product design about ritual uses of products.

Another concept associated with the register of anthropology, PRODUCT ARCHETYPES, referred to the idea that household products are associated to archetypal forms in the collective memory (Fariello, 2004). This concept influenced subsequent product development efforts. For example, whereas in the 1980s Alessi had entered the cooking pots segment with an effort to develop "the most functional pot on the market (1989, CA25)," in the mid-1990s, it launched a new development effort intended to discover "archetypal pot forms," resulting in the commercially successful Mami series. The project designer Stefano Giovannoni explained:

*With Mami, instead of designing a new form, I have tried to rediscover the pot that everybody has in their memory and in their imagery. Mami is granny's pot. It is the archetype pot. [...] It derives from the search of those traits that in the collective memory correspond to the idea of pot (ID24).*

The incorporation of concepts from anthropology led to the *founding of Centro Studi Alessi*, an internal research center that institutionalized the practice of conducting *seminars and collaborations with social scientists* from anthropology, history, and semiotics, and young designers. The Center published theoretical papers on socio-cultural issues and developed projects applying these ideas to product design. Thus, in summary, Alessi's collaborations with craftsmen drew its attention to taken-for-granted, collectively-held meanings of household objects and led to the incorporation of concepts from anthropology in its repertoire. These concepts led to new research-focused activities and changes in product development. The research activities brought Alessi in contact with a diverse set of social scientists and designers, eventually leading to the



incorporation of concepts from the register of psychoanalysis discussed next.

***Tapping into the Unconscious: Incorporating Psychoanalysis Concepts.*** Collaboration with designers, such as Achille Castiglioni and Philippe Starck, whose work was at times “humorous or unsettling (CA27),” combined with ongoing research on the meaning of objects, led Alessi to inquire into the subconscious and emotional responses triggered by objects. Answers found in the theories of the English psychoanalyst D.W. Winnicott (e.g. 1971/1999) and the Italian psychoanalyst Franco Fornari (1979) led to the addition of concepts from psychoanalysis in Alessi’s repertoire. Fornari’s (1979) theory of affective codes led to the use of the concept of EMOTIVE INVOLVEMENT, which captures the idea that different product shapes and materials elicit different subconscious emotional reactions by activating innate affective codes. The theories of Winnicott who argued that adults need “transitional objects” that remind them of the security and happiness of childhood (1971/1999) led to the concepts of PRODUCTS AS TOYS (and later, as VEHICLES FOR FANTASY) and the development of new product lines of colorful, plastic tableware conceived as “ludic tools, telling little tales, giving captivating twists to everyday uses, [providing] a bridge to the fantastical (1998, CA11).”

The new conceptualization of products generated through these concepts led to several changes in Alessi’s practices. In product development, Alessi expanded its circle of *collaborations with young designers*, including cartoonists and animators. In production, it started using *plastics*, a new material requiring different production technologies with which Alessi had no prior experience. In distribution, to support these products, Alessi made a costly investment in *new flagship stores*

specifically designed to “handle Alessi objects as if they were fairy-tale characters, each with its own story and traits, and [with] a desire to transmit joy and aesthetic energy [...] to transmit to the customer a sense of adventure in design and the homescape (2003, CA13).” Finally, in 2006, it created a *new catalogue* for these product lines -- “A di Alessi.”

The concepts from the psychoanalysis register generated a new set of contradictions. These concepts and practices conflicted with the concept of PRODUCTS AS ART WORKS and the associated practices for creating highly expressive and conceptually challenging products. Informants reported that designers, critics, and even some consumers found the little animated objects, incongruent with Alessi’s existing artistic line. Internally too, the proliferation of playful plastic products – “little gadgets,” as a senior manager called them – raised concerns about Alessi’s new course of action. In sum, Alessi’s involvement in research on the meaning of objects led to the incorporation of concepts from psychoanalysis. These concepts supplemented those from anthropology, as they enabled Alessi to look at products and consumer needs from the perspective of the subconscious and emotional responses to product forms. They also led however to further changes in product development, production, and distribution and gave rise to new contradictions.

### ***The Challenges of Incorporating New Cultural Resources.***

Taken together, our observations suggest that the process of incorporation of new cultural resources in an organization’s repertoire is fraught with challenges. Across the four rounds of incorporation of cultural resources from four different registers, we observed that each new set of cultural resources required Alessi to implement pervasive changes, cope

with sustained uncertainty, and handle contradictions among diverse cultural resources.

First, each set of concepts called for pervasive changes in the ways in which Alessi designed, produced, and commercialized products. Many of these changes required costly investments and adjustments throughout the entire organization, as the practices used previously were reconfigured and replaced by new ones. New practices in turn had to be adapted to accommodate the concepts added from each new register. The repeated changes in organizational practices involved not only financial, but also human and organizational costs, as employees had to learn new tasks and fit into new roles.

Second, the organization had to bear “unavoidable” uncertainty (Knight, 1921) arising from the unknown and untested consequences of applying new cultural resources drawn from a different register to Alessi’s task environment. Each new set of cultural resources incorporated in Alessi’s repertoire introduced new ways of thinking about the attitudes and practices of consumers, about the nature of household products in general and about Alessi’s products in particular. While these new conceptualizations enabled the formation of unconventional strategies (discussed later), they led to sustained uncertainty. Uncertainty arose because it could not be determined *ex ante* whether the new practices and strategies would fit the actual requirements of Alessi’s task environment, and therefore, whether they opened up economically profitable opportunities.

Finally, contradictions among concepts that were already in Alessi’s repertoire and newly added ones emerged. Whereas such contradictions may not be inherent in the concepts themselves, organizational members

experienced them as such when their implementation implied or imposed divergent demands on actions. For example, the diversity of cultural resources in the organizational repertoire put a strain on the organization, as product development was influenced by multiple ways of thinking about its products, production saw increasing product-line complexity, and marketing and distribution struggled to communicate coherently about a diverse product portfolio. These observations about the challenges of incorporating new cultural resources confirm arguments in existing research that the use of diverse cultural resources is fraught with risks (Weber 2005) and tensions (Eikhof & Haunschild, 2007; Glynn, 2000; Oakes et al., 1998). At Alessi, however, these challenges were managed, in part, through the process of cultural repertoire enrichment discussed next.

### **Cultural Repertoire Enrichment**

The foregoing discussion reports our observations about how Alessi incorporated in its repertoire new cultural resources from four different registers. This iterative process is depicted in multiple overlapping boxes in the first block of Figure 2. Through this process Alessi changed “how much culture” it used for developing its strategies. Swidler has argued that individuals vary “greatly in *how much* culture they apply to their own lives (2001, p. 46, *italics in the original*)” and that this is an important characteristic of individual cultural repertoires. In a similar vein, we observe that an organization can change how much culture it applies to its strategy, and that in doing so, it also changes how proactively it brings culture to bear on its experience. At Alessi, when initial efforts to make art objects in steel through the direct involvement of renowned sculptors failed, the organization proactively adopted concepts from the arts

register in order to reframe and rethink its products and activities in terms appropriate for the “art world (Becker, 1982).” Similarly, later on, when it encountered challenges with implementing art concepts in its task environment, it again expanded its cultural repertoire – this time, with concepts from the crafts register – in order to rethink again its products and practices. As discussed in the previous section, similar dynamics led to the incorporation of cultural resources from the registers of anthropology and psychoanalysis. Thus, the incorporation of new cultural resources became a primary vehicle for envisioning new strategic opportunities and refining the organizational approaches to pursuing them.

Further, new cultural resources did not replace previously added ones; instead, concepts from all registers co-existed and were used throughout the period of observation. Therefore, over time Alessi’s cultural repertoire included not only “more culture,” but also more diverse cultural resources. Alessi managed this increasing diversity by developing practices that preserved the distinctive logics of each set of resources drawn from a specific register, and by developing practices that created novel combinations of resources and resolved contradictions among them. For example, to preserve the distinctive logics associated with each set, Alessi engaged in collaborations with different types of designers. Whereas the incorporation of concepts from the art register led to collaborations with renowned urbanist architects, the incorporation of concepts from psychoanalysis led it to reach out to different types of artists, such as cartoonists and animators.

At the same time, by using diverse cultural resources simultaneously, Alessi was able to surface and manage better both the

contradictions and complementarities among them. Many practices were undertaken to combine concepts from different registers and strengthen potential complementarities among them (see Table 2 for details where integrative practices are highlighted with the "\*" symbol). For example, Alessi engaged in *collaborations with crafts workshops* and retrained its own production workers in craft techniques to enable production of artistic product forms. Concepts from different registers were also combined in experimental product development efforts. For example, Richard Sapper's award-winning and widely popular 9090 coffee maker combined functional innovation (PRODUCTS AS FUNCTIONAL TOOLS) with an original form (VALUE OF FORM). Stefano Giovannoni's Mami, the most commercially successful pot set developed by Alessi, combined the archetypal "potness" of a pot (PRODUCT ARCHETYPE) and "the maternal code" posited by psychoanalytical theories (EMOTIVE INVOLVEMENT). Further, designers and scholars from anthropology and psychoanalysis were involved in *seminars* investigating different aspects of how people relate to objects (e.g. CULTURAL RELEVANCE, EMOTIVE INVOLVEMENT). Importantly, in the early 1990s Alessi developed a *new tool for product development* evaluating prototypes and objects by combining dimensions that reflected the influence of cultural resources from three different registers. The "Communication-Language" dimension required product evaluation in terms of the concepts from the art register; the "Sensoriality-Memory-Imagination" included criteria based on concepts from anthropology and psychoanalysis; "Price" and "Functionality" reflected concepts from the household industry register.

These observations attest to a more complex process than the earlier description of repeated rounds of incorporation of new cultural resources may have implied. Through this process Alessi changed: a) how

much and how proactively it applied culture to its strategy; b) how diverse the cultural resources it used were; and c) how it combined them in integrative practices to resolve contradictions and strengthen complementarities. Thus, the process ensured that as more and more diverse cultural resources became available for the organization to use, they were “put to work,” rather than allowing them to simply accumulate and “sediment (Clegg, 1981).” We term this process of proactive expansion of an organization’s cultural toolkit with diverse resources that are increasingly used in an integrative and flexible manner “cultural repertoire enrichment.”

Cultural repertoire enrichment involves a pattern of using cultural resources that differs from Swidler’s (2001) observations about individual use of diverse cultural resources. According to her, individuals use diverse cultural resources by holding them “in reserve” and activating them on “as needed” basis to address specific situations. Some evidence exists that organizations may do the same when they engage in cultural bricolage. Cultural bricolage refers to the *ad hoc* use of available cultural resources to address specific problems and opportunities in the environment (Baker & Nelson, 2005; Rao et al., 2005; Zilber, 2006). The process we observed differs from such occasional and/or temporary uses because: a) it involves deliberate incorporation of new and diverse cultural resources into the organization’s repertoire, and b) it is a proactive and integrative use to effect long-term changes in organizational patterns of thought and action. Organizational bricolage has also been described in terms of “making do with resources at hand,” that is, using concepts, resources, or routines that already exist within an organization or that are readily available in its exchange network. For example, Rao and colleagues (2005) described how French chefs’ engaged in cultural bricolage by “tinkering” with

categories available in the existing culinary rhetoric. In contrast, cultural repertoire enrichment involves both proactive inclusion of new cultural resources to develop new conceptualizations of products, customers, and markets, and sustained effort to overcome contradictions among them through new practices and/or incorporation of additional cultural resources. Finally, unlike the pattern of holding resource in reserve described by Swidler (2001) at the individual level of analysis, cultural repertoire enrichment involves simultaneous use of diverse resources, while preserving their autonomous logic. A key enabler of this distinctive pattern of resource use is the process of "Identity Redefinition" discussed next.

### **Identity Redefinition**

***Observed Redefinitions of Organizational Identity.*** An unexpected observation that emerged in our analysis of the changes in Alessi's repertoire is that each round of incorporation of cultural resources from a new register was *consistently* accompanied by self-categorizations of what type of an organization Alessi was. Research on organizational identity refers to such self-categorizations as identity claims (Glynn 2000). At Alessi, we observed that four identity claims accompanied the incorporation of concepts from the four registers: PUBLISHER/ARTISTIC MEDIATOR, CRAFTS WORKSHOP, RESEARCH LABORATORY IN THE FIELD OF APPLIED ARTS, and DREAM FACTORY (see Table 3 for examples of the use of these claims).

-----*Insert Table 3 about here*-----

The early rounds of the addition of new cultural resources from the arts and from the crafts registers were accompanied by identity claims based on categories that referred to typical organizations in those fields: a



publisher/art mediator and a workshop, respectively. The claim of being like a PUBLISHER was introduced in the 1970s when Alessi began incorporating concepts from the arts register:

Once it has found the design philosophy of an author interesting, Alessi trusts him completely, and, just like a publisher, it does not usually interfere in the work of one of its authors (1979, CA19).

By the end of the 1980s, the concept of PUBLISHER was generalized to the broader concept of ARTISTIC MEDIATOR. In the arts, ARTISTIC MEDIATOR refers to the role played by arts galleries, merchants, and museums that facilitate the production, evaluation, and diffusion of art works for and among the public (Becker, 1982). Alessi, in fact, compared its role explicitly to that of a “modern art dealer, museum director, or film-maker (ID01),” thereby giving sense to its arts-related practices. With the incorporation of concepts from the crafts register in the 1980s, Alessi began to refer to itself also as a CRAFTS WORKSHOP (“Officina” in Italian), emphasizing its own heritage of making metal crafts between 1921 and World War II. In the crafts register, the concept of workshop is used to refer both to the organizing of crafts activities (Becker, 1978) and to the location of crafts production. Alessi used this claim to give sense to the concepts and practices it adopted from the crafts register.

As Alessi’s repertoire enrichment progressed, it began using identity claims that combined elements of several categories. In the early 1990s, following its incorporation of anthropological and psychoanalytical concepts, Alessi began to refer to itself also as a RESEARCH LABORATORY IN THE FIELD OF APPLIED ARTS. At that time, according to Alberto Alessi, the perceived contradiction between the new toy-like plastic products and the highly expressive ones inspired by art concepts elicited “strong

reactions from people saying that by moving into plastic we were [...] losing our identity (A. Alessi quoted in Sweet, 1998, p. 7).” By describing itself as “a research laboratory in the field of the applied arts (1992, CA8),” Alessi combined elements of “research” and “art” into one identity claim and emphasized the significance of both artistic and research-oriented concepts and practices. It attempted to relate partially diverging sets of concepts and demands for actions suggesting how old and new product conceptualizations can co-exist. This identity claim was later qualified further when Alessi referred to itself as an “*industrial* research laboratory in the field of design,” acknowledging that the organization was not a research laboratory *per se* but an industrial manufacturer with extensive research involvement in design.

By the mid-1990s, Alessi began to refer to itself also as a DREAM FACTORY, reflecting further integration across concepts and practices that did not fit readily into available categories. This claim integrated further potentially incongruous elements through the use of metaphorical means. Metaphor was used to reconcile the industrial nature of the company (as a factory) with its ongoing engagement with human imagination (dream). This claim connected the industrial base of the organization, the most recently engaged cultural resources from the register of psychoanalysis, and the earlier claims of artistic mediation “between the highest international design creativity expression and [...] the public’s dreams (ID1).” Through this claim, Alessi addressed some of the outstanding contradictions between the arts, anthropology, and psychoanalysis registers, as the term “dream” was related both to the imaginative designs of artists and to the imaginative utilities that consumers derive from these designs (2006, CA14). The claim also resolved the

contradiction between Alessi's original identity as an industrial organization (i.e. a factory) and its quest into other cultural registers.

These observations suggest that a) new identity claims consistently accompanied the incorporation of new cultural resources and b) an overall process of redefinition of the organization's identity supported the incorporation and use of new cultural resources for the development of new strategies of action. The tight coupling between identity and cultural resources has been recognized at both the individual (Cerulo, 1997; Swidler, 2001) and organizational level of analysis (Glynn 2000). However, prior work has tended to take identity as a given – a current constraint (Glynn, 2000; Swidler, 2001) or an aspiration for the future (Swidler, 2001). In contrast, we observed a process of periodic redefinition of the organizational identity that addressed challenges arising from the use of new cultural resources and their deployment into new practices and strategies of action. In particular, Alessi used identity claims that were consistent with specific combinations of new cultural resources that had been incorporated into the organizational cultural repertoire at a given point in time to legitimate the associated practices and strategies of action. Furthermore, as the organizational repertoire became increasingly enriched with diverse cultural resources, new types of claims were forged to express and emphasize the growing distinctiveness of the organizational strategies. We discuss each of these aspects of the process of identity redefinition below.

***Evolving Claims.*** Past research has theorized that social categories provide organizations with the basis for making identity claims that enable both internal and external audiences to make sense of organizational structures, practices, and strategies (Fiol, 1991; King & Whetten, 2008).

We observe, however, that Alessi used different *types* of categories (and not only different categories) in the making of identity claims. In the early rounds of incorporation of new cultural resources, Alessi used what we termed “register-consistent” claims. These claims were based on categories referring to established and legitimated organizational forms in the registers from which Alessi was incorporating cultural resources and enabled Alessi to claim similarity to such forms. Because social categories provide institutionalized frameworks that capture collective understandings regarding the typical “capabilities, products, and attributes” of member-organizations (Porac, Wade, & Pollock, 1999, p. 112), they provide “templates” for structuring organizational activities and for activating institutional patterns of thought and action (DiMaggio, 1997). Register-consistent claims therefore can help internal and external audiences understand the practices inspired by concepts from a given register. To the degree that categories embody structural features (Pólos, Hannan, & Carroll, 2002) and imperatives of action (Zuckerman, 1999) to which organizations are expected to conform, they enable an organization to justify the use of practices that may be unusual in its industry, but typical for member-organizations in the category. Accordingly, an organization can claim legitimacy for strategies of action that, while dissimilar from those conventionally followed by members of its industry, bear similarities with those of members of other categories (e.g. publishers, crafts workshops).

As new cultural resources were added and the overall diversity of Alessi’s repertoire increased, the nature of its identity claims changed. The identity claims it used throughout the 1990s and 2000s combined elements of several existing categories, and were therefore “syncretic.” Syncretic claims reflected both the growing diversity of cultural resources

in its repertoire and its enrichment associated with flexible and simultaneous use of these diverse resources.

Syncretic claims blend elements of different social categories and augment the typical meanings associated with a given organizational form. The enrichment of the organizational cultural repertoire and the associated practices based on concepts from multiple registers, sometimes recombined in novel ways, made it difficult for Alessi to find readily available legitimate categories for comparison. It used syncretic claim to combine elements from multiple legitimate categories, thereby making the organizational activities understandable in some familiar terms, but not necessarily comparable to members of a particular category. Syncretic claims therefore can stimulate more complex sense-making and more distinctive conceptualizations of the organization than register-consistent claims do.

The idea that Alessi developed syncretic claims in order to account for its increasingly diverse and unique (as they were based on its enriched cultural repertoire) practices resonates with prior research that has argued that new categories are created in order to reflect unique strategies (Rosa, Porac, Runser-Spanjol, & Saxon, 1999). This research, however, has emphasized the role of institutional intermediaries, such as the media (Kennedy, 2005; Lounsbury & Rao, 2004), in the creation and legitimation of new categories. In contrast, we observe that organizational identity claims are related to the cultural resources an organization incorporates in its repertoire. In addition, the enrichment of its repertoire with diverse and increasingly integrated resources may require an organization to syncretise categories to account for practices based on diverse sets of cultural resources.

***Multiplicity of Identity Claims.*** Further, similar to the accumulation and simultaneous use of diverse cultural resources, identity claims also accumulated and were concurrently used throughout the observation period. By claiming to be similar to more than one type of organization and by simultaneously acting (to an extent) like a member of each of the categories, Alessi supplied audiences with multiple categories for interpreting its diverse concepts and practices. Just as it sought to simultaneously preserve the autonomous logic of diverse sets of cultural resources *and* integrate them in specific practices, in the same way it used multiple identity claims to highlight distinct practices associated with a particular set of resources, and syncretic claims to point to ways of combining them.

By simultaneously using multiple identity claims, Alessi may have succeeded in detaching itself from the expectations associated with organizations in its own industry, as well as from those associated with the other types of organizations it claimed to be (somewhat) like. Describing Alessi as a publisher or a workshop did not suggest a radical change in *what* the organization did (producing household products in metal), but encouraged a more refined understanding of *how* it did it – that is how it related to other actors, the technologies it relied upon, etc. The fact that most of the claims were used somewhat figuratively, rather than literally, enabled Alessi to transfer meanings associated with different forms without having to conform precisely to the templates and procedures that constituted them (Rao, 1998). The multiplicity of identity claims may have provided it with the latitude – i.e. less fixed audience expectations (Rosa, Judson, & Porac, 2005) – that it needed to implement the multiplicity of new strategies that its enriched cultural repertoire enabled. We discuss Alessi's new unconventional strategies next.

## **Unconventional Strategies**

Swidler (1986) defines strategies of action as assemblages of actions influenced by the cultural repertoires of actors. Strategy research views strategies as coordinated sets of activities that determine the attributes of products and the nature of resources and technologies deployed in their production. Together, the two definitions suggest that changes in the cultural repertoire of an organization are likely to affect its strategies of action in terms of both its product-market scope and the resources and technologies used.

Our analysis shows that as a result of the enrichment of its repertoire, Alessi had indeed begun to develop products with new and more varied attributes that could serve new customer segments. The design of PRODUCTS AS ART WORKS, such as tea and coffee serving tools designed as “small architectures” with questionable functionality and highly original forms, had enabled Alessi to discover a consumer segment willing to forgo functionality in favor of originality, and to pay a substantial premium for it. For example, for its highly original, authored kettles and coffee pots, Alessi could charge a price that was up to four to five times higher than that of the standard products in these categories. Alessi reinforced this effect by introducing the notion of “signed household product” (“casalingo firmato”), reflecting the concept of AUTHORSHIP. In addition, these products had attracted the attention of arts and cultural institutions that consecrated them as “art” by acquiring them for purposes of exhibiting them. As a result, these products also attracted arts and design collectors.

Throughout the 1980s, as Alessi intensified its use of concepts from both the arts and the crafts registers, it produced highly experimental

products organized in the “Officina Alessi” line and explicitly targeted at collectors and connoisseurs (referred to as “design lovers,” “design aficionados,” and “elective Alessi audience”). While some of these products turned into “best-sellers,” most were produced in small series and had a limited direct impact on commercial results. In addition, products based on incorporation of concepts from the arts register, characterized by enhanced aesthetic properties and contemporary style, were targeted at the upper home segment (referred to at Alessi as “the affluent Alessi audience”). The incorporation of concepts from psychoanalysis in the early 1990s, led to the development of playful, colorful products in plastic targeted at a broader and younger audience in the middle home segment. A design historian summarized these changes in Alessi’s strategies of action as follows:

Alessi [...] owes its fortune in the last few decades to the fact that it has shifted and modified its profile from being a firm that produces household objects to being a firm that produces gifts. It was the first [producer] to modify the DNA of its own product by changing it from a functional instrument into an emotional, symbolic exchange among people (ID26).

To summarize, the enrichment of cultural repertoire enabled Alessi to develop new actionable understandings of consumer needs and motives that went beyond the taken-for-granted properties of functionality, quality, and conformity to industry standards specified by the industry register. The new cultural resources and practices it used enabled it to make products with distinctive formal properties that served new and different needs (e.g., household products as gifts), thereby opening up new customer segments. Many of these segments afforded the company higher *price premia* than those associated with conventional, albeit high-



quality, household goods. Thus, cultural repertoire enrichment led to the development of new strategies that were both unconventional *and* appropriate and appealing. Furthermore, it led to the development of a multiplicity of new strategies that Alessi was able to execute simultaneously. We discuss this outcome next.

### **Strategic Versatility**

The enrichment of the repertoire led to multiplicity in conceptualizations of the nature of its products and their uses. This multiplicity enabled Alessi to pursue a slew of new opportunities. Furthermore, because its enriched cultural repertoire enabled it to use diverse resources flexibly, it was able to execute effectively multiple strategies in different task environments simultaneously. In 1970, the beginning of our period of study, Alessi was the acknowledged technological and market leader in the serving tools segment of the household industry, where hotels and catering organizations were its main customers. In 2006, at the end of the study period, Alessi simultaneously served the upper catering segment, the upper and middle home segments, as well as individual and institutional collectors and design connoisseurs. These segments were served through three product lines organized in three catalogues (“Alessi,” “Officina Alessi,” and “A di Alessi”). However, the products in all three lines were designed using the same product development process with their placement in one of the three catalogues being determined only in the final stages of product development. In fact, Alberto Alessi explicitly explained to the organization and its retailers that the three lines do not have “independent identities, but rather reflect three different expressions of the same corporate identity and of the Engine of Design that is Alessi (2006, CA3).”

Indeed, products from all three lines have been acquired for the permanent collections of arts and design museums around the world, and have proved to be revenue and profit leaders.

We term this ability to execute strategies of action that serve multiple and diverse segments simultaneously through integrated practices of product development, production, and marketing “strategic versatility.” An important aspect of Alessi’s strategic versatility is that over time it was also able to increase the diversity of resources it leveraged in its strategies. For example, according to an informant it deliberately increased the diversity of designers with whom it collaborated to be “as open as possible to different languages, in order to reach diverse markets (ID14).” In fact, the very use of concepts from different registers called for collaborations with designers with different type of expertise. Designers with classical industrial design experience, such as Richard Sapper and Ettore Sottsass, designed more functionally oriented products, revamping the existing products for the hotel and restaurant segments by combining concepts from the industry register (PRODUCTS AS FUNCTIONAL TOOLS) with distinctive formal properties (VALUE OF FORM). Concepts from the arts register were associated with collaborations with architects of international renown, such as Michael Graves, Aldo Rossi, and Frank Gehry in the early 1980s, and Massimiliano Fuksas and Toyo Ito in the 2000s. The implementation of concepts from anthropology and psychoanalysis led to collaborations with young designers from all over the world, as well as animators and cartoonists, such as Massimo Giacon. However, while seeking to take advantage of their diverse skills, Alessi did not assign designers to a specific product line. As a result, whereas some (e.g. Gehry) had designed objects included only in one of the three catalogs, others had designed objects included in two (e.g. Sottsass) or

three (e.g. Giovannoni, Graves, Starck, Mendini) catalogs, bringing integration to Alessi's diverse strategies.

Similar to the expanding range of designers used in design, Alessi's new strategies of action involved an expanding range of materials and production technologies. At the beginning of the study, Alessi made products only from cold-pressed steel in large volumes, but starting in the early 1980s with the implementation of concepts from the arts and crafts, it began making products in silver, wood, and porcelain. New technologies and materials, such as plastic, were perceived as necessary to implement new concepts, such as EMOTIVE INVOLVEMENT – a concept that suggested the need to “discover other materials in order better to explore the world of colors and sensoriality in objects (1991, CA27).” Overall, Alessi's new strategies of action exhibited increasing diversity in the resources they relied on, revealing its growing ability to implement a multiplicity of different strategies simultaneously. These observations suggest that Alessi's repertoire enrichment enabled it to simultaneously execute multiple and diverse strategies of action addressing new task environments in terms of the customer segments it served, and the technologies and resources it used. By gaining flexibility in using a broad set of diverse cultural resources (as discussed in our discussion of cultural repertoire enrichment), Alessi was able to pursue multiple unconventional strategies that were in part supported by common pools of human and technological resources, and in part by distinctive practices associated with a specific subset of cultural resources.

## **DISCUSSION AND RESEARCH IMPLICATIONS**

Our research was motivated by the observation that, whereas research in sociology has increasingly emphasized that culture provides individuals with a toolkit from which they can draw resources to develop strategies of action appropriate to different circumstances, research on organizational use of cultural resources to develop strategies of action remains scant. Further, to the degree that organizational use of cultural resources has been investigated, researchers have stressed the strains and challenges that such attempts pose (Eikhof & Haunschild, 2007; Glynn, 2000; Weber, 2005). The theoretical model that emerged from our data (presented in Figure 2) articulates a set of relationships that explain how organizations can incorporate new cultural resources from outside their industry registers to devise new strategies of action, to effect strategic change, and gain beneficial strategic outcomes. Our theoretical model extends Swidler's (1986; 2001) ideas about the flexible use of cultural resources from the individual to the organizational level of analysis, highlighting processes that are distinctive to organizations. Specifically, our model makes three core conceptual contributions.

First, consistent with prior research (Eikhof & Haunschild, 2007; Glynn, 2000; Weber, 2005), it shows that the use of cultural resources from outside the industry register is costly, uncertain, and contradiction-ridden. Yet, our model extends this research by articulating how a process of cultural repertoire enrichment involving proactive expansion of an organization's cultural toolkit with diverse resources that are increasingly used in an integrative and flexible manner enables an organization to use new cultural resources to develop new strategies of action. Second, it extends extant research regarding the use of cultural resources by

relating the process of cultural repertoire enrichment to the development of unconventional strategies and strategic versatility, thereby directing future research to explore more systematically the role of cultural resources in strategic change. Third, it extends extant research on the intersection of strategy, culture, and identity by showing the tight coupling between incorporation of new cultural resources and identity management. In departure from past research, which has emphasized identity as a constraint (Glynn, 2000), our model shows how a process of organizational identity redefinition may facilitate the incorporation of new cultural resources.

These insights both confirm and extend extant understandings about the role of cultural resources in strategy formation and the capacity of organizations to use cultural resources from outside their industry registers. Given that this is one of the first studies to explore the question of how organizations use diverse cultural resources, the ideas we articulate should be subjected to systematic future research. Below we discuss some directions for future research in the three broad areas of contribution outlined above.

### **Strategic Use of Cultural Resources**

A fundamental insight arising from our study is that the enrichment of cultural repertoire enables an organization to break away from industry conventions by enabling re-conceptualization of various elements of the task environment and developing distinctive practices to act on these new understandings. This insight directs organizational research in an important new direction because much research has emphasized how regular interactions and exchanges among competitors create industry conventions that lead to the reproduction of competitive environments

(Porac et al., 1989; Weick, 1979); less research has been done on the ways in which organizations devise non-conventional strategies. Our model suggests that the incorporation of new cultural resources may be one of the bases of strategic innovation in a given industry and the use of cultural resources in strategy formation warrants further research. Future research should therefore give close consideration to the type of cultural resources that help change organizational strategies, and the effect of these changes on strategic behaviour.

Further, our examination of Alessi's efforts to incorporate new cultural resources in its repertoire suggests that using broadly available cultural resources in an organization's strategy is fundamentally different from using resources from the industry register. The action implications of cultural resources from the industry are generally well understood and legitimate. Using such cultural resources is likely to lead organizations to take actions that are appropriate to their task environment but also similar to those of competitors. In contrast, by engaging cultural resources from outside their industry register, organizations may take actions that challenge industry conventions and differ from competitors.

However, when brought to bear on a particular organization's strategy, broadly available-cultural resources generate outcomes that are difficult to predict. Some of their applications may be negatively sanctioned by the environment (as predicted by current theory). However, our study also suggests that some of their applications may also reveal that environmental constraints and institutional requirements are more malleable than competitors in the industry believe. If short-term failure does not deplete an organization's resource base, the sustained application of new (to the organization and the industry) cultural

resources may enable it to find new ways of doing things (strategies of action) that are both different from peers, and acceptable to audiences.

These ideas resonate with some recent work showing that cultural resources can be used to create new markets. For example, Weber and colleagues (2008) showed that entrepreneurs in the grass-fed segment of the cattle industry exploited opposition in existing cultural codes to create new demand. Our observations too point to the use of cultural resources to create new demand by changing the *organizational* conceptualizations of customer and needs. In contrast to oppositional cultural codes that can be used to provide consumers with frames for choosing among available alternatives (Weber et al., 2008), the enrichment of an organization's repertoire with new cultural resources enables it to expand the range of alternatives available to consumers. In both cases, however, contradictions among cultural resources appear to play an important role in breaking up prevailing industry conventions and stimulating new growth. Therefore, future research should examine more systematically the use of different cultural resources for developing, framing, and presenting competing product or technological alternatives – with regard to competitors, as well as various stakeholder audiences.

Future research seeking to understand the relationship between the use of new cultural resources and strategic innovation should also consider more systematically the role of different contextual variables, such as the relative strength of resource-holders' consensus around norms and market categories (Rosa et al., 2005), or the presence and influence of acknowledged gatekeepers (Durand et al., 2007; Zuckerman, Kim, Ukanwa, & Rittmann, 2003) that affect audience evaluations of organizations and their strategies. Institutional gatekeepers, such as

financial analysts or certifiers (Durand et al., 2007) may sanction (Zuckerman, 1999) or glamorize (Rindova et al., 2006) unconventional strategies. The insight from our study that identity redefinition may influence how audiences (and gatekeepers) see and relate to an organization's unconventional strategies should guide future studies of the relationship between strategic innovation and organizational evaluation.

### **Cultural Repertoire Enrichment as a Strategy**

If new cultural resources can become the basis for new and advantageous organizational strategies of action, an important question for future research is to systematically investigate how organizations can assimilate new cultural resources from broadly available cultural toolkits. This is an important direction for future research because our study suggests that, although potentially valuable, broadly available cultural resources are unlikely to be directly applicable to an organization's task environment. Instead, as they are transferred from one context to another, their meanings and practical implications need to be adapted to local circumstances (Czarniawska & Joerges, 1996). While broadly available cultural resources enable organizations to take actions that differ from those of competitors, they also increase the risk that these actions may be inappropriate and/or ineffective. This trade-off appears to be at the heart of the organizational dilemma regarding the use of new cultural resources in strategy formation.

Our study suggests a potential resolution of this dilemma by drawing attention to the enrichment of cultural repertoires as a mechanism through which organizations can make broadly available cultural resources *useful and usable* in their strategies. Our observations suggest that new cultural resources may require wide-ranging changes in



practices spanning the entire value chain, as well as active efforts to manage and reconcile contradictions among them. Further, contradictions among cultural resources may prompt the incorporation of additional cultural resources that facilitate the application, modification, and adaptation to the organization's task environment. As the breadth and diversity of cultural resources an organization applies grows, so does its ability to use them integratively resulting in an enriched cultural repertoire.

A fundamental insight emerging from our study is that this process of cultural repertoire enrichment differs from "cultural bricolage (Rao et al., 2005; Zilber, 2006)" and holding cultural resources "in reserve (Swidler, 2001)." Cultural repertoire enrichment therefore generates distinct pattern for using cultural resources. Acknowledging the diversity in the ways in which organizations use cultural resources implies that additional research is needed to understand when and how organizations use diverse cultural resources "ad hoc," and when and how they engage new cultural resources to affect broader strategic outcomes. In this regard, it will be important for future research to explore more systematically the differences between rhetorical use of cultural resources for the purposes of strategic self-presentations, as reported in Zilber (2006), and their more substantive use, as productive means to develop new strategies of action, as observed in our study.

Our model also relates repertoire enrichment with new-to-the-industry cultural resources to an organization's ability to generate strategies of action that are appropriate, effective, *and* different from competitors. Further, our argument that repertoire enrichment is necessary for organizations to use broadly-available cultural resources

effectively also implies that cultural repertoire enrichment is likely to generate strategies of action that withstand competitive imitation. This conjecture is supported by the observation that Alessi's strategies were imitated only to a limited extent and with limited success. Whereas some imitation efforts were observed (e.g. hiring famous architects, including those that had collaborated with Alessi, or development of more colourful houseware), these surface-level imitations of product features and styles did not enable competitors to implement the diverse and highly successful strategies observed by Alessi.

Future research should examine systematically the imitability of the strategies generated through cultural repertoire enrichment relative to those generated through employment of specialists possessing high levels of the relevant cultural resources. We expect that the complexity and ambiguity inherent in the process protect the competitive strategies based on it from competitive imitation and justify its (otherwise costly) undertaking. The specific conditions of our case, however, suggest the need for systematic future research regarding the organizational and environmental factors that affect the costs and advantages of cultural repertoire enrichment. For example, the Italian context, in which our focal firm operates, has been described as somewhat distinct because "ideals of elegance and beauty are widely shared among different social classes (Crane & Bovone, 2006, p. 324)." Future research should strive to better understand how national or regional socio-cultural contexts might affect both the availability of cultural resources and the acceptability of the strategies they inspire.

A final word of caution is warranted regarding the process we have described as "a strategy for the few" due to the challenges associated with

costly changes, commercial uncertainty, and contradictions. We wish to emphasize that we derive our insights from an extreme case of an organization that set out to use cultural resources that are *very different* from those of its own industry register. Therefore, we believe that to better understand the strategic value of cultural repertoire enrichment, it is essential for future research to study the incorporation of new cultural resources that are more similar to, or compatible with, those of the organizations' own industry. For example, an airline company incorporating cultural resources from the register of the hospitality industry, or an R&D-intensive company incorporating cultural resources from the register of academia may provide interesting settings for exploring more systematically the effects of enriching organizational repertoires with different yet more compatible or similar cultural resources and for assessing the costs of the process in less extreme conditions than those present in our case.

### **The Interplay Between Cultural Resources and Organizational Identity**

Consistent with prior research, our study highlights the interrelatedness between cultural resources and identity. Specifically, we observe a process of redefinition of organizational identity through the introduction of new identity claims to accompany each round of incorporation of cultural resources. As identity claims accumulated and their nature evolved, Alessi created a complex palette of identity definitions. This palette was available to internal and external audiences to make sense of and to justify diverse and occasional contradictory concepts, practices, and strategies. These observations suggest several

interesting directions for future research on the intersection of organizational identity, strategy, and cultural resources.

First, identity research has discussed how organizational identities are constructed by claims of both similarity and distinctiveness (Whetten, 2006), but it has not examined how these claims may vary over time in order to address different “strategic needs” of the organization. Recent conceptualizations of organizational identity have begun to consider how organizations redefine themselves over time in a process of self-construal (Pratt & Kraatz, 2009). Our study provides an important basis for understanding this process by highlighting the dynamic interplay in the use of existing categories to claim similarity, and newly created ones to claim distinctiveness. It will be valuable to develop better understanding of the internal processes through which such categories are selected or created, and the extent to which they reflect strategies that are already formulated or provide templates for elaborating and modifying organizational strategies.

Our model suggests that organizations change the categories they use in their self-definitions in conjunction with their changing strategies. They do so to influence the understandings of both internal and external audiences about their new strategies of action. In doing so, however, they also seek to influence the very categories that are available for their definition (Kennedy, 2005; Rindova et al., 2007; Rosa et al., 1999; Zuckerman, 1999). Whereas extant research on market categories has emphasized their constraining effects (Pólos et al., 2002; Zuckerman, 1999; Zuckerman et al., 2003), our model underlines organizational agency in asserting a distinctive identity by aggregating categories from different registers and combining them in claims of distinctiveness. Our

model therefore suggests identity redefinition as an important mechanism through which organizations may manage the “categorical imperative (Zuckerman, 1999).”

Second, extant identity research has articulated that organizations use multiple identity claims to address the expectations of multiple audiences (Pratt & Foreman, 2000). However, it has not examined how a multiplicity of claims relates to diversity in strategies and practices, and how aggregation and syncretisation of identity claims may increase an organization’s strategic latitude. Future research should also consider how organizations foster the acceptability of syncretic identity claims by influencing the expectations of both internal and external audiences. In particular, research should consider how underlying practices, categories used, and evolution of the organization’s identity definitions all combine to affect whether audiences accept or resist these claims.

In conclusion, we would like to note that to some, the strategic change at Alessi that we analyzed may appear to be the result of one big shift – from an industrial manufacturer into a producer of luxury goods. While such a view would be consistent with *one* of the positions of Alessi in the market by the end of our study period, it could not explain how a conventional manufacturer of steel household products came to be perceived as a producer of artful objects that are collected by museums and design enthusiasts around the world. Further, extant theory would predict that Alessi’s historical cultural repertoire and technological resources would make such a transition difficult. Our systematic analysis of the gradual incorporation of new cultural resources and their implementation in new practices and strategies of action explains the

process and suggests an important direction for future research that seeks to understand important strategic transformations. While in retrospect many strategic shifts may appear to have a self-evident logic, our analysis shows that they can arise from little-understood cultural quests for new understandings.

**TABLE 1**  
**Details on Data Collection\***

Source of data	Type of data	Use in the analysis
<b>Corporate Archive*</b>	<p><b>Books</b></p> <p>Published by Alessi between 1979 and 2006 in four categories:</p> <ol style="list-style-type: none"> <li>1) Official corporate autobiographies (4);</li> <li>2) Books on specific product development projects (16);</li> <li>3) Books on designers (4);</li> <li>4) Reports from workshops organized by Alessi (4).</li> </ol>	<p>Track changes in the cultural repertoire of the organization at different points in time, as organizational texts document the evolution of a repertoire without retrospective bias (Weber 2005).</p>
	<p><b>Catalogues</b></p> <p>70 commercial catalogues published between 1960 and 2007</p>	
<b>Interviews*</b>	<p><b>First round</b></p> <p><i>Spring 2006-Fall 2007.</i> 12 interviews with 10 members of the company, including then CEO Alberto Alessi, his closest collaborators, and junior and senior managers across functions. Interviews lasted between one and four hours. All recorded and transcribed for a total of 159 pages.</p>	<p>Gather data regarding the organizational strategy, structures, and practices, their origins and evolution.</p>
	<p><b>Second round</b></p> <p><i>Spring 2008.</i> 11 interviews with: a) 5 members of the company, including 2 retired managers; b) 2 designers.</p> <p><i>Fall 2008.</i> 3 interviews with external design experts</p> <p>All recorded and transcribed for a total of 150 pages.</p>	

Source of data	Type of data	Use in the analysis
	<p><b>Video-taped archival interviews</b></p> <p>Four open-ended interviews recorded by Alessi Museum in 1999 and 2001 with informants no longer available for in-person interviews: Carlo Alessi (Alberto's father and former CEO), Ettore Alessi (Alberto's uncle and former technical manager), and architects Carlo Mazzeri (first external designer to collaborate with Alessi) and Franco Sargiani (designer of logo and packaging in the early 1970s).</p>	<p>Triangulate facts and observations, gain additional understanding of the organization and the strategy prior to the change process and of the early years of the change.</p>
<p><b>Other archival sources</b></p>	<p>1) Scholarly publications on Alessi written by art critics (Casciani, 1996), business historians (Casciani, 1996; Sweet, 1998), and design (e.g. Verganti, 2006) and management scholars (e.g. Salvato, 2006), as well as scholarly publications on design history in general (Branzi, 2004; De Fusco, 2002);</p> <p>2) Industry reports on the household industry;</p> <p>3) Specialized media, such as architecture and design magazines (<i>Domus</i>, 1965-; <i>Ottagono</i>, 1965-; <i>Casabella</i>, 1970-; <i>Modo</i>, 1984-; <i>Abitare</i>, 1970-1979), the oldest household industry magazine (<i>Articoli casalinghi e Piccoli Elettrodomestici</i>, 1969-1980), and various Italian and American household magazines (various issues in the 1980s and 1990s).</p>	<p>Triangulate facts and observations, enhance validity of insights, contextualise observed process in terms of industry and design history.</p>

\* References in the paper to sources from the Corporate Archive and the Interview Database are noted as CA# and ID# respectively. More detailed references are available from the authors upon request



**TABLE 2**

**Cultural Repertoire Enrichment: Addition of New Concepts and Changes in Practices (1970-2006)\***

Concepts	Practices
INDUSTRY REGISTER <i>(Alessi's repertoire prior to 1970)</i>	<p>New products were developed internally by the technical office. Designers had been invited occasionally to develop non-core objects in the product portfolio. Emphasis was on technological process innovation and cost control (INDUSTRY).</p> <p>Large scale, industrial production of steel tableware; other metals (brass, etc.) as well as crafts productions had been discontinued in the 1950s. Emphasis was on high quality of manufacturing (INDUSTRY).</p> <p>Direct sales to large customers. Home products were sold through a network of more than 6,000 small shops. Catalogues were structured by product type, with a short technical description (INDUSTRY).</p>
ARTS REGISTER <b>Products as Art Works</b> <b>Authorship</b> <b>Value of Form</b>	<p><i>Collaboration with acknowledged artists (1972):</i> Responsibility for product design shifts from the technical office to industrial designers, graphic designers, and architects (ARTS).</p> <p><i>Efforts to implement designers' ideas (1972-):</i> Technicians are expected to make an extra effort to preserve designers' original forms—however bold and complex to produce—even at the expense of functionality or efficiency (ARTS).</p> <p><i>Segmentation of retail network (1975-):</i> Sales of sophisticated art-like objects are restricted to a small number of high-end retailers (ARTS).</p> <p><i>New catalogue content (1975-):</i> Some products are associated with commentaries written by prominent Italian art critics and, later, by Alberto Alessi personally (ARTS).</p> <p><i>Engagement in relationships with arts and cultural institutions (1979-):</i> A communication office is set up to promote exhibitions in arts and cultural institutions; this task will be later carried out by the Alessi Museum (ARTS).</p> <p><i>*New production technologies: silver, wood, and ceramics (1983-):</i> New materials and production technologies are used to expand the expressive means available to artists (ARTS+CRAFTS).</p> <p><i>*Small-scale production (1983-):</i> Development of new machinery allows industrial production on a limited scale for projects of</p>

	<p>high cultural and artistic value, even if they are expected to sell limited amounts (ARTS+CRAFTS).</p> <p><i>*New catalogues: Officina Alessi (1983-):</i> A new catalogue collects and showcases the most experimental and artful production of the company (ARTS+CRAFTS).</p> <p><i>Education of sales force and retailers (1985):</i> Bi-annual meetings and, later, visits to the Alessi Museum are set up to explain the author's philosophy and the ideas behind new products (ARTS).</p> <p><i>*New tools for product development (1990-):</i> The symbolic and affective dimensions of product form are considered more important than functionality and price for the success of Alessi's products. These dimensions are reflected in a tool used to evaluate new products at different stages in the development process (ARTS+ANTHROPOLOGY+PSYCHOANALYSIS).</p>
<p>CRAFTS REGISTER</p> <p><b>Crafts Virtuosity</b></p> <p><b>Exploration</b></p>	<p><i>Re-introduction of crafts techniques (early 1980s-):</i> Crafts techniques are reintroduced in the factory to perform specific steps of the production process (CRAFTS).</p> <p><i>*Collaboration with crafts workshops (1981-):</i> Collaboration with crafts workshops for the production of objects in wood and ceramic, and of parts in metal; a specific unit is set up to supervise outsourcing (CRAFTS+ARTS).</p> <p><i>*Small-scale production (1983):</i> Small-scale production enables Alessi to explore new product concepts and languages (ARTS+ CRAFTS).</p> <p><i>*New catalogues: Officina Alessi (1983-):</i> A new catalogue collects and showcases the most experimental production of the company (ARTS+CRAFTS).</p> <p><i>New catalogues: Twergi (1989) and Tendentse (1990-1999):</i> Two new catalogues for productions in wood and ceramics; each catalogue contains detailed explanations of the underlying crafts methods and philosophy (CRAFTS).</p>
<p>ANTHROPOLOGY REGISTER</p> <p><b>Consumption Rituals</b></p> <p><b>Cultural Relevance</b></p> <p><b>Product Archetypes</b></p>	<p><i>*Seminars and collaboration with social scientists (1981-1993):</i> Anthropologists, historians, and semioticians are invited to share their reflections on the cultural significance of objects (ANTHROPOLOGY+PSYCHOANALYSIS).</p> <p><i>Foundation of Centro Studi Alessi (1990-):</i> Development of conceptual papers on the role of objects in society in order to inform design. These activities are coordinated by a new position in the organizational hierarchy (ANTHROPOLOGY).</p> <p><i>*New tool for product development (1990-):</i> The symbolic and affective dimensions of product forms are considered more</p>

	important than functionality and price for the success of Alessi's products. These dimensions are reflected in a tool used to evaluate new products at different stages of the development process (ARTS+ANTHROPOLOGY+PSYCHOANALYSIS).
PSYCHOANALYSIS REGISTER	<i>Collaboration with young designers (1990-)</i> : Collaboration is extended to younger designers and graphic illustrators, who explore less artistic and more popular and playful product languages (PSYCHOANALYSIS).
<b>Emotive Involvement</b>	<i>*New tool for product development (1990-)</i> : The symbolic and affective dimensions of product forms are considered more important than functionality and price for the success of Alessi's products. These dimensions are reflected in a tool used to evaluate new products at different stages of the development process (ARTS+ANTHROPOLOGY+PSYCHOANALYSIS).
<b>Products as Vehicles for Imagination</b>	<i>*Seminars and collaboration with social scientists (1991-1993)</i> : Semioticians and historians share with designers and employees involved in design-related activities psychoanalytical theories about the effect of objects form on individuals (ANTHROPOLOGY+ PSYCHOANALYSIS).
<b>Products as Toys</b>	<i>New technology: Plastics (1993-)</i> : Because of their tactile properties and the possibility of using color, production in plastics is initiated to enhance the affective quality of products (PSYCHOANALYSIS). <i>New flagship stores (2000-)</i> : Starting in 2000, a range of new flagship stores of Alessi are conceived as "wonder shops," emphasizing the playful and animated character of the most recent Alessi production (PSYCHOANALYSIS). <i>New catalogues: A di Alessi (2006)</i> : In 2006, a new sub-brand and a new catalogue are created, including the more playful products inspired by the application of psychoanalysis theories. The new catalogue has in itself a more playful visual style, without the text and the product critiques that characterize the other catalogues (PSYCHOANALYSIS)

\* Following each practice in brackets we indicate registers from which the practice implements concepts. We use the "\*" symbol to highlight practices that integrate concepts across registers. The table provides evidence regarding cultural repertoire enrichment showing both practices implemented to preserve the distinctive logics of different sets of cultural resources and efforts to integrate them.

**TABLE 3**  
**Identity Redefinitions**

Identity claims	Representative quotations in the data
<p><b>PUBLISHER / ARTISTIC MEDIATOR (since 1979)</b></p>	<p>Alessi has an editorial mission. It experiments with what is a new [artistic] language. For every given product that we know that will sell well, we put in production some more difficult products in order to experiment. Indeed, we cannot know a priori if something difficult will be a success or not (ID21).</p> <p>The historical identification of Alessi is to be found in the field of mass production by a large business aiming at positioning itself as a mediator between the design culture and the public (1979, CA19).</p> <p>The role performed by Alessi is a role of artistic mediator, which is ultimately very close to the activity of an art merchant, a museum curator, or a conductor (2001, CA33).</p>
<p><b>CRAFTS WORKSHOP ('Officina') (since 1983)</b></p>	<p>The metal workshop has represented our origin and continues to be at the centre of our activity (1989, CA7).</p> <p>When I started working in the company in 1970 I wanted to make mass production and crafts work together (A. Alessi quoted in Sweet, 1998, p. 2).</p> <p>Alberto likes very much the name Officina because it reminds him of a period when manual skills were really important, when human contribution to production was really important (ID05).</p>
<p><b>RESEARCH LABORATORY IN THE FIELD OF APPLIED ARTS (since 1991)</b></p>	<p>We believe that the fundamental nature of Alessi [...] is closer to a research laboratory in the field of Applied Arts than to an industry in the canonical way; a research lab in Applied Arts where there is an endless mediation between the most advanced expression of the creative culture and the public's requirement and dreams (A. Alessi quoted in Gabra-Liddell, 1998, p. 11).</p> <p>Alessi is not a normal factory. I think of it as an applied arts research laboratory. We have devised a unique system to harness the talent of the world's most interesting designers, and encouraging them to make use of and stretch our technical expertise. We want them to push our knowledge to the extreme. Alessi's role is to mediate between the most interesting expressions of creativity of our times and the</p>

---

dreams of consumers (Sweet, 1998, p.1).

We [...] have a unique international reputation as a laboratory of research in the field of applied arts, and [we] play our role on the borderline between the possible and the impossible. We experiment by manufacturing (ID1).

---

**DREAM  
FACTORY  
(since 1995)**

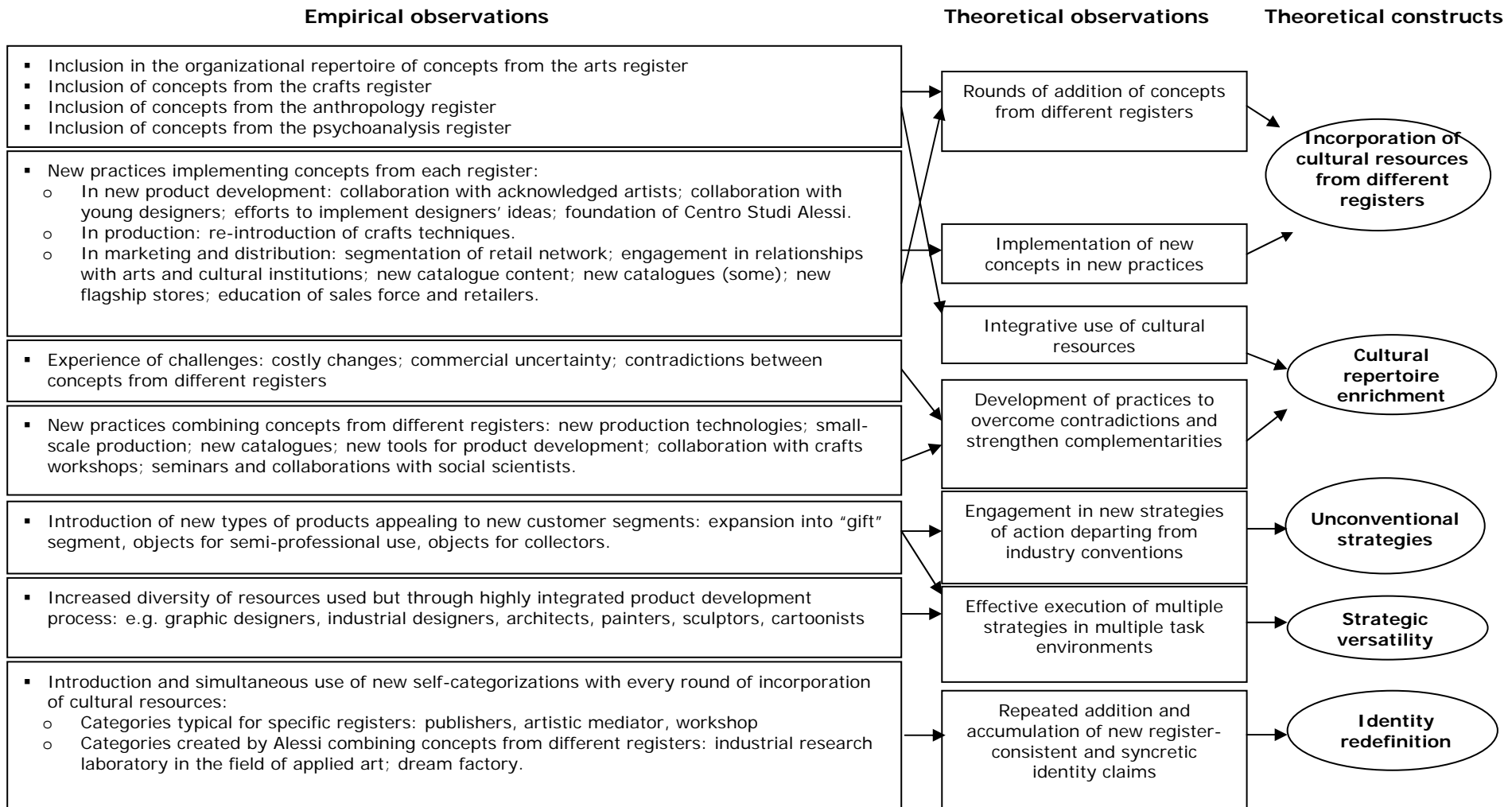
'Dream factory' is more evocative of a poetic attitude towards our work, and because it fundamentally reflects the strategic vision of the company: Design, according to Alberto Alessi's vision, is a way to be able to satisfy people's dreams (ID14).

We called it The Dream Factory [...] because at that time one of the peculiarities that finally the market and the whole world had understood about Alessi, and something that was very important for us, was this ability to make objects that satisfy not only people's needs but also their desires, and sometimes even their dreams. Perhaps this is the common thread that holds together all of these projects that were made by such a variety of designers, using languages that sometimes are opposed to each other (ID19).

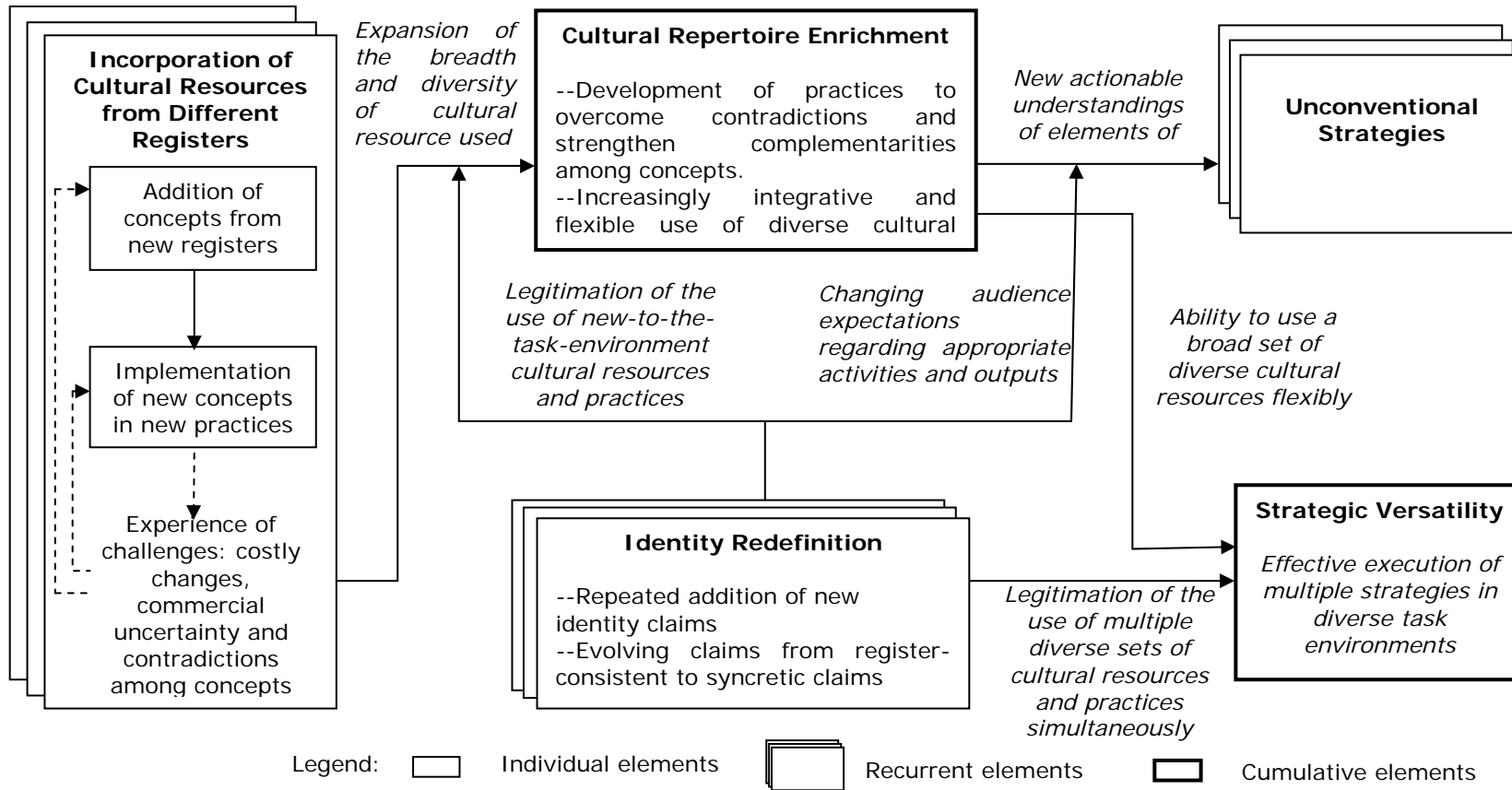
Our 'dream factory' has become a research laboratory in the field of applied arts, which in the last quarter of the twentieth century, working with the leading talents of international design, successfully brought together poetry, creativity, culture [...] and design excellence like no other industrial organization in the world (CA13).

---

**FIGURE 1**  
**Data Structure**



**FIGURE 2**  
**A Grounded Model of the Use of Cultural Resources from Different Registers in Strategy Formation**







## **ESSAY 3**

### **RECOMBINING DIFFERENT LOGICS IN ORGANIZATIONS: A STUDY OF INSTITUTIONAL CHANGE AND STRATEGIC RENEWAL**

Institutional theorists have long argued that taken-for-granted norms and beliefs in a given organizational field influence organizational structures and actions and that survival hinges on the legitimacy acquired through conformity to expectations guided by such beliefs (DiMaggio & Powell, 1983; Meyer & Rowan, 1977; Scott, 2001). Much of this work has focused upon the organizational field (Heugens & Lander, 2009). *Organizational fields* are defined as "*clusters of organizations whose boundaries, identities, and interactions are defined and stabilized by shared institutional logics* (Greenwood & Suddaby, 2006, 28)."

Recently, scholars have turned their attention to investigate various issues related to *institutional change* (Dacin, Goodstein, & Scott, 2002), i.e. the "*abandonment of institutionalized practices, structures and goals, and/or the adoption of institutionally contradictory practices, structures, and goals, by an individual organization or field* (Kraatz & Moore, 2002, p. 120)." A vibrant body of work has begun to investigate the role of multiple institutional logics in institutional change (Lounsbury, 2007; Purdy & Gray, 2009). *Institutional logics* are taken-for-granted norms, beliefs, legitimate practices, and form of the constituent communities of actors in a societal sector (Friedland & Alford, 1991; Thornton, 2004) or organizational field (Greenwood & Suddaby, 2006). Institutional logics characterize three nested levels of organized action. Archetypical logics inform action in broad societal sectors (Friedland & Alford, 1991; Thornton, 2004), such as markets, professions, corporations, states, families, and religions. Field-specific logics characterize, and guide action in, each organizational field (e.g. Lounsbury, 2007; Zilber, 2002). Finally, different logics are adapted (recombined) within individual organizations to fit specificities and strategies of organizations (Colyvas & Powell, 2006).

The body of work on institutional change and institutional logics has focused on the shift between (Thornton, 2002) or recombination among (Purdy & Gray, 2009) institutional logics that change the taken-for-granted norms and beliefs in a given field, and organizational practices and structure accordingly to maintain legitimacy. Some studies have focused on field-level dynamics, whereas others have highlighted specific issues arising within individual organizations.

For example, Thornton and Ocasio (1999) argued that a shift from the professional to the market logic brought modification in the corporate governance practices in the field of higher education publishing. In his study of the professionalization of the field of finance, Lounsbury (2002) argued that during the period of shift from the regulatory to the market logic, professional associations were founded on the basis of the possibility of making new status claims. In a later study, he revealed (2007) that competing logics in the mutual fund field (aggressive growth money managements vs. conservative investing) shaped variation in the practices of different groups of mutual funds. Recently, Purdy and Gray (2009) highlighted that new organizations (state offices of dispute resolutions) in emerging fields developed multiple practices through the recombination of conflicting logics (judicial vs. social service).

Other studies suggest that individual organizations (rather than fields) can shift the logic driving their actions. For example, in her case study of a rape crisis centre in Israel, Zilber (2002) found that the organization shifted from following the feminist logic to the therapeutic logic. This shift brought changes in the type of actions, meanings and actors within the organization, and engaged organizational members in an on-going process of meaning-making.

Other studies have highlighted that organizations can recombine beliefs and norms belonging to different logics (rather than shifting altogether the logic to follow). For example, a stream of work has focused on organizations in the field of cultural production that integrated elements of the logic of market into the dominant logic of cultural production (e.g. restricted production of fine art) to create or introduce new practices. These logics have been shown to be conflicting (Oakes et al., 1998). In her study of the division of cultural facilities in Alberta (Canada), Tonwley (2002) highlighted that norms and beliefs of the market logic, and the practices of business planning and financial performance they drive, were integrated into the prevailing norms and beliefs of the logic of the field of restricted cultural production-- centered on the disavowal of economic concerns. As a consequence, strong opposition among members arose and the organization became characterized by façade compliance only. Similarly, Glynn (2000) highlighted that the Atlanta Symphony Orchestra, an organization operating according to the logic of the field of restricted cultural production, introduced the practice of financial performance measure. As a result, identity conflicts emerged among organizational members who were the carriers of the threatened logic (artists) and those who were the carriers of the new logics (administrators). Similarly, studies on corporate social action (see Margolis & Walsh, 2003 for a review) have hinted at the recombination of norms and beliefs of the different logics of corporations and of social action and at the difficulties related to performing simultaneously actions informed by both logics.

Other studies have shown that the recombination of different logics may bring to the creation of novel organizational forms, i.e. new *"configuration[s] of structures and practices given coherence by*

*underlying values regarded as appropriate within a given institutional context* (Greenwood & Suddaby, 2006, 30).” For example, in their study of the institutional change at Stanford when the patenting practice was new to the field of organizations governing the production of science, Colyvas and Powel (2006) pointed to the fact that the recombination of the contradictory norms and beliefs of the logics of proprietary and academic science brought to the formation of an hybrid organizational form. Initially, the hybridization of the two logics, and of the practices they drove, was manifested in the new practice of technology transfer, characterized by high ambiguity, case by case review by administrators and identity conflicts because scientists drew distinctions between themselves and the university which traversed into the field of market. In their study of institutional change within community mental health centers that diversified into drug abuse treatment, D’Aunno and colleagues (1991) argued that units faced conflicting demands on actions posed by the different beliefs of the logics of mental health care and drug abuse treatment about types of clients, assessment practices and types of physicians providing treatment. These organizations created hybrid hiring practices guided by norms and beliefs of both logics, and adopted some conflicting goals for client treatment and inconsistent treatment practices. As a result, they lost legitimacy and received fewer support from sources in their traditional sectors.

To sum up, institutional scholarship about the role of institutional logics on institutional change has focused mainly upon understanding field-level change or upon illuminating some specific issues at the organization level of analysis arising from the attempts of recombining logics. Work in both traditions lacks consistency in the terminology used to describe the recombination of logics. The multitude of labels to denote

the recombination of different logics such as blending (Glynn & Lounsbury, 2005), grafting (Oakes et al., 1998; Purdy & Gray, 2009), transformation (Purdy & Gray, 2009), and hybridization (Colyvas & Powell, 2006; D'Aunno, Sutton, & Price, 1991) provides little guidance in illuminating differences in the types of possible recombinations. Moreover, what is not yet clear is how the process of recombination of logics takes place within organizations and what are the implications for the process that different types of recombination bear.

An emerging perspective in economic sociology conceives the type of organization-level change, which involves the recombination of beliefs and norms from different logics, as the fundamental type of organizational innovation (Stark, 2009). By doing so, organizations can achieve strategic renewal (Agarwal & Helfat, 2009) through continuous re-invention of their business model and organizational form (Stark & Girard, 2009), and conceive radical and successful product innovation strategies (Lester & Priore, 2004). However, the implementation of this change is particularly challenging for two reasons. First, it involves an on-going re-cognition of novel categories of beliefs and norms (Stark, 2009). Second, it implies the formation of new goals, practices and structures to sustain the conflict and recombination between different norms and beliefs (Stark & Girard, 2009). In other words, they have to develop a new organizational form (Greenwood & Suddaby, 2006, 30). Examples of organizations recombining norms and beliefs of different logics in new organizational forms abound (Kraatz & Block, 2008). Universities have to develop a new organizational form to combine the logics of academic and private research in their structures and practices (Colyvas & Powell, 2006); medical clinics do the same to combine the business and the caring logics (e.g. Scott, Ruef, Mendel, & Caronna, 2000); new media organizations

morph continuously in new forms by redefining, recombining, and redeploying norms and beliefs of logics of different, unrelated and unknown fields for further innovation (Stark & Girard, 2009); tutoring organizations combine both business and educational logic (Mazza, Sahlin-Andersson, & Pedersen, 2005). More generally, successful competition in a variety of industries requires increasingly the ability to span different fields informed by very different logics (Stark, 2009). For example, organizations operating traditionally in the industry of computer electronics (e.g. Apple) or software development (e.g. Microsoft and Google) became competitors also in the entertainment and broadcasting industries (by marketing songs and videos, and news and entertainment respectively). Similarly, industrial car manufacturers can be seen as operating simultaneously in the insurance, financing, entertainment and computer industries (Stark, 2009).

Therefore, understanding how organizations search for and implement institutional change through the recombination of elements of different logics is important because it represents a way through which organizations can achieve and sustain important and on-going organizational innovations and strategic renewal. However, beyond specific issues that we have seen above, little is known about what is the organization-level overall process that allow organizations to recombine norms and beliefs of different logics into new goals, practices and structures. This paper stands for addressing this issue.

We present findings from a longitudinal case study about the process of institutional change that took place in Alessi, a manufacturing organization, through the recombination of elements of the logics of household industrial manufacturing and cultural production. Our grounded

model indicates that the overall process of institutional change at the organization level through the recombination of elements of different logics entails three main steps and several interrelated elements: 1) the search for a coordinated position in multiple fields, 2) the outcomes in the different fields, and 3) the theorization of prior steps. First, the search for a coordinated position in multiple fields is driven by a continuous "*formulation of recombinant intent*," which can be specified in terms of the relationship between the elements of the two logics and the degree of predominance of the beliefs and norms of the original logic: *compartmentalized addition*, *enriched maintenance*, and *synthesis*. We observed that the recombination of the beliefs and norms from the different logics varied along four dimensions: 1) intended categorization of object; 2) intended object function; 3) intended organizational role, and 4) intended method of production. As a consequence of the varying recombination of norms and beliefs from the two logics about these dimensions, the other elements of the process of change were added and their content (parameterization) re-fined. These elements are a) "*experimentation with resources from the new field*," b) "*experimentation with boundary-spanning practices*," c) "*modification of structures*," d) "*legitimizing efforts in the new field*," and d) "*experimentation with product attributes*." Second, this search brings to outcomes in multiple fields, i.e. the "*accreditation in the new field*" and the "*outcomes in the old field*". Third, the theorization of prior steps as "*reflection on the past*" and "*reflection on the future*" feeds back the modification of search and, in turn, the on-going process of change. This case, therefore, sheds light on the organization level process for implementing a particular type of institutional change, that is the one that happens through the recombination of logics of different fields.



This study contributes to institutional theory by expanding understanding of how organizations can recombine logics from different fields and implement institutional change. It also contributes to strategy research about strategic renewal.

First, it highlights the process (relationships and outcomes) of the recombination of logics that drive actions in different ways. Examples of organizations that hybridize incompatible logics and that create new organizational forms abound (see Stark, 2009). At the level of organization, prior research has highlighted specific problems that arise (Glynn, 2000), or practices (D'Aunno et al., 1991) and given structural arrangements (Tushman & O'Reilly, 1996) that are meant to enable organizations to deal with different logics. In general, the process is challenging because it involves an on-going re-cognition of novel categories of norms and beliefs guiding action and requires changing or adapting organizational form (Stark, 2009). However, no theory to date helps us understanding the *process* through which organizations can actually enact this recombination of existing institutional logics and develop successfully new organizational practices and structures. By looking at the process holistically and longitudinally, this study fills the gap in prior organizational research by developing a fine-grained understanding of what are the steps and mechanisms that make such a process unfold.

Second, it enriches extant literature on the recombination of different institutional logics by distinguishing between different recombinant strategies. Differently from prior literature (e.g. Purdy & Gray, 2009), we specify the extent of the recombination of norms and beliefs of different logics that brings to different types of recombination.

We also pinpoint to the importance of identifying the specific categories of norms and beliefs that are the object of recombination to qualify the type of recombination. Moreover, we detail the different impact that each of these recombinant strategies has on the process of institutional change within organizations. We show that each recombinant strategy triggers a different type of search for a coordinated position in multiple field and therefore a different configuration of how to bridge fields, i.e. different ways to attempt to satisfy the expectations of both fields (Purdy & Gray, 2009). Each recombinant strategies has different implications in terms of the relative position of the organization with respect to the field from which the new logic is drawn and used in the process of recombination.

Third, it shows the strategic outcomes at the organization level of the institutional change due to recombination of different logics. The shift in logics has been shown to be stimulus for field-level (e.g. Thornton & Ocasio, 1999) or population-level (Scott et al., 2000) change, but the strategic outcomes of the recombination of different and incompatible logics still await systematic investigation and theorization at the level of the organization. We argue that this process can lead organizations to positive outcomes in both fields (e.g. both economic success and legitimacy) and that can be self-reinforcing. More importantly, we argue that this process of institutional change through the recombination of elements of different logics leads organization to strategic renewal, as discussed next.

Finally, this study contributes to strategy literature on strategic renewal. Indeed, the type of organization-level institutional change we explore (i.e. through the recombination of different logics) can be conceptualized as a form of strategic renewal. Prior literature saw

strategic renewal as determined by exogenous shocks in the environment or by the incremental enhancement of activities such as R&D, alliances, and alteration of core business (see Agarwal & Helfat, 2009 for a review). We highlight a different and valuable path conducive to strategic renewal, that is the recombination of different institutional logics and the consequent search for and implementation of incremental and radical changes in organizational practices, structures and goals. By doing so, we enrich extant understanding of how organizations change and morph into different forms (Rindova & Kotha, 2001) to change competitive conditions (Stark & Girard, 2009).

We present our study in three main sections. We begin by summarizing the research method, we then present our findings, and conclude with contributions to prior literature.

## **METHOD**

We designed our study as an inductive inquiry (Glaser & Strauss, 1967) carried out through an in-depth, longitudinal analysis of an extreme (Pettigrew, 1990) and revelatory (Yin, 1994) case. Inductive inquiry is more appropriate than quantitative analysis for illuminating the question of how a given process unfolds (Eisenhardt & Graebner, 2007), and it is more likely to generate novel and accurate theoretical insights when the phenomenon is poorly understood in extant literature (Glaser & Strauss, 1967), as this is.

### **Research Setting**

Alessi, an Italian manufacturer of household objects, had operated according to the logic of metal household manufacturing industry for 30

years since its founding. From 1970 to 2006 (the timeframe for this study), it engaged in a process of changing the institutionalized beliefs, norms and taken-for-granted practices in a way that departed significantly from the institutionalized beliefs, norms, and practices in its field. It did so by searching for ways to combine norms and beliefs from two logics: the one of its field (metal household industrial manufacturing) and of the unrelated field of cultural production (both restricted and large-scale). By 1970, the Italian metal household industry was characterized by commodity-like products differentiated only in terms of quality (metal alloy used, finishing, durability etc.) and not in terms of aesthetic or symbolic attributes. It was extraneous to the influence that the logic of the field of restricted cultural production was having on some segments of other industries in the country where design was "*intended not [...] as an activity tighten to economics and market rules but as an operation of cultural and artistic content* (De Fusco, 2002, p. 268)" that applied shapes and themes of the avant-gardes in fine arts to furniture and furnishing complements. Alessi was the first organization in its field to combine beliefs and norms from the field of cultural production into its organizational forms and products. It changed the taken-for-granted beliefs about objects categorization (applied art rather than tools), function (cultural function in addition to practical function), product attributes (aesthetic and symbolic in addition to quality), and way of operating (system for combining practices from both fields). Indeed, during the 1980s, Alessi became recognized as the only firm experimenting with design attributes (Largo Consumo, 1985) and to make "*stainless steel designer home accessories into an art form* (Los Angel Times, Dec 17<sup>th</sup> 1987) having "*cultural value* (Abitare, Sept 1986)" because endowing users with "*status as well as quality* (The New York

Times, Aug 21th 1988).” In its original field, the new categorization of household objects as applied art, and Alessi’s way of operating, became legitimated. The “*design factor*” was indicated as the new element of differentiation (Casa Stile, Aug. 1986), and manufactures’ future success (Cucina e Casa, 1987; Articoli Casalinghi ed Elettrocasalinghi, Jan/Feb. 1987). Alessi became a legitimate member of both fields. By the 2000s, as a producer of metal houseware, Alessi had still the largest market share in its core segment (tableware) and among the top four in other segments in which it entered over time (Databank, 2007), and its growth and profitability had been higher than industry average (Salvato, 2009). As a cultural producer, more than 600 objects were included in the permanent collections of important modern art museums around the world, received more than 100 awards from design professional associations, and counted the active collaborations with more than 200 international artists that spanned different artistic movements.

### **Data Collection**

Data come from three sources: 1) extensive corporate archives (32 books, about 50 commercial catalogues, 4 archival interviews) written throughout the decades by the organizational leader, consultants, collaborators—as main source; 2) 25 interviews with retired and actual organizational members and external collaborators (300 transcribed pages)—to triangulate and enrich our understanding; 3) external experts’ and scholars’ publications, and industry reports—to triangulate and enrich our understanding. Table 1 details our data collection and use in the analysis.

-----*Insert Table 1 about here*-----

## **Data Analysis**

Our data analysis combined established methodologies for longitudinal case analysis (Pettigrew, 1990) and grounded theory building (Glaser & Strauss, 1967; Strauss & Corbin, 1998). In an iterative fashion, we travelled back and forth between the data and the emerging structure of theoretical arguments (Locke, 2001), and we took several breaks during the analysis process to refresh our thinking. For the sake of clarity (Suddaby, 2006), we present our analysis in five broad sequential steps summarized in Table 2. As it became customary in qualitative research (e.g. Maitlis & Lawrence, 2007), we present the cross-sectional structure of data in Figure 1. However, given the importance of the evolution over time of the process we analyzed (see Table 2), we summarize in Table 3 the evolution of codes across phases and their change in content.

-----*Insert Table 2, Figure 1, and Table 3 about here*-----

## **ALESSI'S PROCESS OF INSTITUTIONAL CHANGE THROUGH THE RECOMBINATION OF LOGICS OF DIFFERENT FIELDS: TOWARD A GROUNDED MODEL**

The process of institutional change in Alessi happened through the recombination of the logics of two fields: the field of metal household industry and the field of cultural production. Grounding on the taxonomy developed by Thornton (2004), Table 4 compares these two logics across several dimensions to highlight the differences between them and the different actions they drive.

-----*Insert Table 4 about here*-----

The overall theoretical model that we grounded on Alessi's case postulates that the process of change through the recombination of the logics of different fields involves three steps: 1) search for coordinated position in multiple fields; 2) outcomes in the different fields, and 3) theorization of prior steps. Each step may involve a changing configuration of elements. The search for a coordinated position in multiple fields begins with the formulation of recombinant intent, which varies in terms of the type of recombination of beliefs and norms from the logics of the different fields. In turn, this changing formulation of recombinant intent drives recursively the experimentation with resources from the new field, experimentation with boundary-spanning practices, modification of organizational structures, legitimating efforts in the new field, and experimentation with product attributes. These actions bring to outcomes valued in the old field, and the accreditation in the new field, and to the theorization of prior steps, which feeds back into a new formulation of recombinant intent. The emerging theoretical model is illustrated in Figure 2.

-----*Insert Figure 2 about here*-----

The observed process of change unfolded in three phases (as indicated in Table 2). The initial attempt put in place the core elements, and the subsequent phases provided an on-going elaboration of those core elements through the modification or addition of new ones. In the following section, we present the summary of the analysis of the initial attempt to change. Then, we present our findings by element of the process (i.e. across phases). We intersperse our narrative with theorizing as recommended by Eisenhardt and Graebner (2007) to help capture how our findings emerged.

## The Initial Attempt of Change

Between 1970-1975, Alessi engaged into an initiative called Alessi d'Après for the industrial production of art multiples. The recombinant intent can be conceptualized as an attempt to add a new logic to the old one and use both of them in parallel—as in different compartments. For example, Alessi did not put under discussion the categorization of household objects as functional tools nor the traditional method of production for developing those objects. The intent was about *adding* (in parallel) a different category of objects (cultural objects in the forms of art-multiples). The method for the development and production of art multiples was intended to be maintained as it was but *enriched* by the use of sculptors rather than internal technicians to design the art multiples. The search for what resources from the cultural production field to use and how to gain legitimacy was directed toward acknowledged artists as product designers and critics as endorsers respectively, i.e. legitimate members of the new field who, because of their legitimacy, could transfer on their creation, and on the reviewed objects respectively, the categorization of an object as artworks (Becker, 1982). The project was a commercial and organizational disaster. Indeed, art multiples did not sell on the market and the development and production of new traditional products on which Alessi' survival and growth was based was crashing under the impossibility of running the two productions in parallel. It was halted before completion. One multiple was acquired by an art museum in Brazil. The commercial failure and organizational difficulties related to this type of production made Alessi start searching for a different formulation of intent that could provide commercial success (avoiding failures) and recognition in the field of cultural production. Three core elements of the search were consequently refined in the process: 1) the type of (human)



resources from the field of cultural production Alessi tried to collaborate with; 3) the practices for developing and manufacturing objects (had to get adjusted to the new systematic interaction with external artists); 3) the (formal) attributes of household objects that Alessi experimented with (stylistic and symbolic).

### **Search for a Coordinated Position in Multiple Fields**

***Formulation of Recombinant Intent.*** We define "formulation of recombinant intent" *the articulation of the extent to which beliefs and norms that are (stereo)typical of different logics are intended to be recombined.* It parameterizes the dimensions to be recombined and to what extent. We argue that it is a complementary mechanism to those highlighted by prior literature for the process of institutional change (Misangyi, Weaver, & Elms, 2008). The extent of recombination of beliefs and norms belonging to different logics varies according to the predominance of the beliefs and norms of the original logic. *Compartmentalized addition* is representative of the process that cognitive theorists call splitting (Zerubavel, 1996) and happens when an old belief or norm is paired up with a new belief or norm, and both of them are kept distinct ( e.g. "this object is a tool and this other object is an artwork"). *Enriched maintenance* is an instance of transferring attributes from one belief to the other to a given extent (Wisniewski 1996) that keeps the recipient predominant. It happens when an old belief or norm is maintained as primary guide for action and a new belief or norm is added as minor modification of the old (e.g. "this object is a tool which looks like an artwork"). *Synthesis* involves the reciprocal transfer 'at a power', that is the creation of a belief or norm that has some attributes of those from which it is formed but that, at the same time, is something different from

both. It happens when an old belief or norm become combined with a new belief or norm creating a belief or norm which is novel (at least) in the original field (e.g. "this metal household object is applied art"). In Alessi, this recombination involved beliefs about 1) categorization of objects; 2) function of objects; 3) role of the organization, and norms about 4) method of production.

In phase 1, at the same time when the commercial and organizational problems inherent in the initiative Alessi d'Aprés were becoming evident, Alessi formulated a different intent that compromised between the initial utopia of becoming also a producer of artworks with the reality of being a producer of tools. Abandoned the idea of adding a new category of objects (artworks) from the other field, it intended to: 1) *maintain* the categorization of objects as tool; 2) *enrich* the object's traditional function (i.e. practical function) with beliefs from the field of cultural production (aesthetic enjoyment), and 3) to *enrich* its method of production (of the old field) by integrating the norm of the new field of having artists as creators-designer (Gaut, 2007). The intent was embellishing (traditional) industrial objects, that is producing tools that were aesthetically appealing.

Gained confidence in the ability of being able to produce and sell successfully traditional objects embellished in their forms by external artists, during phase 2 (1979-1989) Alessi went beyond the intent of phase 1 and formulated the intent of producing artistically art-like industrial objects to change societal culture. First, the intent implied a *synthetic* categorization of household objects as "applied art," i.e. as both a functional tool and a piece of art for the very fact of being the expression of artistic process. Laura Polinoro, the semiotician who started

collaborating with Alessi at the end of this phase, underlined that *"today industrial subspecies of 'objects of art' can exist, and are becoming strong, typical, necessary and representative forms of contemporary visual art (CA25 1989)."* Second, the function of being a practical object was maintained and *enriched* with the cultural function (and, with respect to the prior phase, the cultural function itself got enriched by the specific function of being instrument for reflection and display). Such an intended function was based on the consideration that *"people's use of [household] objects is closer and closer to artistic use [...] Objects tend to de-functionalize themselves... (CA7, 1989)."* Third, a *synthetic* method of production recombined the process of free artistic creation with the steps and requirements and employees of an industrial organization. Indeed, as recalled later by one of the earliest urbanist architects who developed some projects for Alessi, the intent of the organization was *"not only the development or reinterpretation of household objects, but rather the search for a cultural approach (Hans Hollein, 1994, quoted in Gabra-Liddell, 1998, 67)"* to production. Therefore, in this phase there is the acknowledgment that the search for a position also in the field of cultural production could not have lied only on the use of human resources from such a field as designers of objects (as done, in different ways during the initial attempt and phase 1). Rather it required the active engagement of the organization for building internally a method of production able to infuse objects with the *"essence of the industrial subspecies of the object of art,"* i.e. the possibility to categorize Alessi's tool as applied art. In practice, the *"goal was to offer architects [...] a place where they could work out [...] experimental methods, forms, and typologies in the thick of the current debate on neo- and post- modernism, and on the claims of the new Italian and international design (CA22, 1983)."* Fourth, the intended

change in the way of doing things brought to modify the intended role of the organization as a manufacturer whose way of producing products and employing resources from the field of cultural production makes it spanning the two fields (*synthesis*). As Mendini underlined in 1979, Alessi was "*a large business aiming at positioning itself as a mediator between the design culture [the field of cultural production] and the public [market for household objects], offering extremely durable objects of high overall quality* (CA19, 1979).

In phase 3, Alessi enriched this intent by *synthesizing* the categorization of household objects as "*instrument of play* (CA27, 1993)" into the categorization of "applied art" established in the prior phase and now taken-for-granted. The intended function of objects became enriched by another nuance of cultural function, i.e. the emotional enjoyment (Gaut, 2007). For example, it was declared that an object was "*interesting not because is good, or even because it is beautiful, but because it expresses the concept, the meaning, behind the object designed* (CA10, 1995). It was also made explicit the function of "*childish objects*" that "*give us pleasure and reassurance* (A. Alessi quoted in Sweet, 1998, 6)." The intended method of production did not change with respect to the prior phase but references to the synthesis, to the transgression of the "norms" of industrial manufacturing, to the "*paradox of combining creativity with industry* (Michele Alessi, quoted in Moon, Dessain, & Sjoman, 2004c, 2), and to the "*point of friction* (CA8, 1992)" between these logics became more frequent and more articulated. For example, the concept of "norms" that the devised method of production made Alessi transgress was articulated as follows:

*the concept of transgression implies the concept of the 'norm'. The systems of norm within which the industry [industrial manufacturing] acts*

*is divisible into three large groups: technical-functional norms (that regulate the material production of the objects); socio-economic and marketing norms (that regulate access of the objects in the market); and aesthetic and communication norms (that regulate the understanding and acceptance of the objects on the part of the public) (CA8, 1992).*

The intended role of the organization became that of a cultural producer in a wider sense than being a producer of art-like objects only, as in the prior phase. Indeed, it explicitly referred to the fact of being also a producer of emotions, i.e. of being a “dream factory.” Additional evidence for the dimension of recombination in the formulation of recombinant intent is reported in Table 5.

-----*Insert Table 5 about here*-----

The observation that the process of search for organizational innovation is driven by an intent informed by the way in which managers re-cognize the world is consistent with prior findings about the role of managerial cognition in new learning environments (Tripsas & Gavetti, 2000). Our model builds on this insight and details a) the dimensions of cognition that allow the search process to take shapes along precise directions, and b) the evolving relationships between the changing intent and the various elements of search for a coordinated position in multiple fields. In fact, these different dimensions, in turn, drive the search for a multitude of new organizational practices, as summarized next.

***Exploration of Resources from the New Field.*** Coherently with the observation that in order to enact a given institutional logic, organizations must act out on resources that support that logic (Misangyi et al., 2008), Alessi had to experiment with varying combinations of human resources from the old and new field to figure out what combination supported the new recombination of logics as indicated in the various formulation of recombinant intent. In the search for what type of

human resources from the field of cultural production to use, Alessi faced a twofold uncertainty. First, it couldn't know exactly what characteristics artists should have featured as designers of functional tools (personal features, and of the artistic movement they belonged to). Second, Alessi had to become legitimated in the field to which such artists were belonging and make sure not to alienate legitimacy in the field of industrial manufacturing. In order to solve these uncertainties, it needed advice from members of the field in which it wanted to gain legitimacy and who had also dealt already with product design, although in a different industry and in a small rather than large scale. Across phases, we observed a gradual shift from sourcing knowledge about the field of cultural production only from outside (through the use of external consultants and artists—phase 1 and 2) to developing an idiosyncratic knowledge of the cultural field for its own purposes internally through the different elements of the process of change (elaboration of practices, experimentation with different product attributes, creation of boundary-spanning roles and function, theorization).

In phase 1, Alessi's initial source of knowledge about the field of cultural production (art/design) was identified by an external advisor (architect Franco Sargiani) in a group of Milan-based graphic designers who were undertaking "*aesthetic research on signs and shapes* (CA30, 1985)." They were asked to design a series of Alessi traditional functional objects with a new, contemporary touch in terms of style. However, differently from what had happened with Alessi d'Aprés, commercial considerations determined what objects among those designed by these graphic designers were to put into production, as the following account suggests:

*Coppola says: 'My experience makes me fear that all projects that are late in the realization phase are abandoned and are surpassed by those that can go on the market earlier.'* Doing stinging irony, [Coppola] titles *'De Profundis'* a drawing of a trash can where he supposes that Alessi dumped his [most advanced research-] projects (CA30, 1985).

Always through the advice and personal network of Sargiani, Alessi began also working with famous architects specialized in product design, who were asked to elaborate on the style and functionality of series of traditional products, such as containers for the table (Program 8--Sargiani), sets for the hotel and catering segment (Program 5--Sottsass), a wide range of objects for the semi-specialized customer segment (Program 9--Sapper). Sottsass was a world-wide renowned architect because he founded the artistic and design group called Memphis, which theorized and applied postmodernism theories from art and architecture to object design. In an internal document issued in 2008, Alberto Alessi comments on the importance of these architects and designers in becoming for him "real maestros" and characterizing Alessi's objects produced in the 1970s.

In phase 2, Alessi deployed an advisor to plan and re-organize all activities needed for the search of a coordinated position in both fields. Alessandro Mendini became "*cultural consultant* (CA29, 1989)" since 1979, which "*involved [...] serving as Alberto's art director, counselor, advisor, and provocateurs [...] scouted and developed new talent [...] often coordinating Alberto's relationship with other designers* (Moon, Dessain, & Sjoman, 2004a)" and ways to implement the new categorization of objects as "applied art." He suggested to experiment working with artists who had no prior experience and cognitive constraints with designing objects as functional tools (urbanist architects) as a way to try to develop objects that were simultaneously tools and artworks.

In phase 3, after a decade of collaboration with urbanist architects for both experimental initiatives and large-scale productions, Alessi changed approach and turned to young designers and cartoonists who could be better able to work on the expressive function of products that the last elaboration of the recombinant intent encapsulated. At the same time, it was still working with a variety of urbanist architects and artists who were designing objects using languages that spanned different streams of artistic movements. In addition, a new resource was used: "consultants in other disciplines (CA26, 1991)." For example, Alessi collaborated with experts in history and semiotics to bring up new ideas about the use of objects and the memories they evoke to bring within the organization pieces of knowledge about the new intended object categorization and function that could be elaborated internally. Table 6 reports additional illustrative evidence on these categories.

-----Insert Table 6 about here-----

***Experimentation with Field-spanning Practices.*** In their study of the evolution of a sample of municipal governments, Greenwood and Hinings (1993) found that when core values and beliefs shift, structures and practices change coherently. We observed that, in Alessi, practices of doing things in general, and of developing new products in particular, changed along with the change in the formulation of recombinant intent: new practices were added and their content refined or changed over time.

In phase 1, the engagement of artists and designers in the design process required an adjustment in the product development process. The unit that performed the design function prior to these initiatives had to learn to interact with artists and a different norm for designing objects, and to *translate* them into technical terms. The two groups (technicians



and external artists) were driven by different cognitive schema about how objects should be designed: as efficiently as possible and as done for the prior decades, on the technicians' side; free from production considerations on the artists' side. Indeed, technicians were used to design objects by having in mind and avoiding the difficulties that a given design might have had on the subsequent phases of production (ID21). Moreover, evidence shows that interaction with different types of artists was different: easier with sculptors that were perceived as a short-term experience and harder with those artists that, for personal features, acted as able to substitute technicians in their job (e.g. Sapper). Whereas during the development of the objects from Alessi d'Aprés internal technicians felt a "*sort of reverential awe toward sculptors (CA30, 1985)*" and collaborated actively to render their drawings producible objects, tensions arose in this phase:

*Technicians are the traditional antagonists of outside designers. The path [...] started years ago with the design of an oil cruets in 1974 (by Sottsass). Back then the project was difficult to carry on, and we waste time and effort to establish a dialectical regime (CA30, 1985).*

Moreover, Alessi experimented with a new *communication tool*: a design magazine edited with other companies in different industries with the intent of having an instrument for communicating the change that was taking place in Alessi to an audience interested in design.

In phase 2, Alessi refined some practices implemented in the previous phases. For example, the interaction between technicians and artists smoothed when technicians relaxed their cognitive schema about efficiency as priority in the early stages of the NPD process. Importantly, time and resources within the organization were devoted to render it smoother through establishing new roles (see later) and publishing books

also to accustom employees with new beliefs guiding actions and to make them part of the process. Alessi developed new practices too. The intent of synthesizing the method of production in the field of metal household manufacturing and the field of cultural production drove the development of a new practice--*experimental research transgressing norms of the old field* as for generating ideas to be developed into new objects. The development of new objects, as summarized by Burkhardt (curator of the Centre Pompidou in Paris), "*does not necessarily arise from a systematic analysis or from a compromise between the ideas of designers and the necessity of technique, nor from market demand. It is first of all an attitude, resulting from cultural exchanges, common enthusiasm, and relationships with creative consultants (CA29, 1989).*" Initial examples of experimental research of this type included Tea&Coffee Piazza, and Caffetteria Napolitana. However, this approach based on the relationship between project and culture progressively expanded to all production through initiatives such as Project Solferino, the House of Happiness, 100% Make-up, and many others aimed at producing specific objects (e.g. a series of kettles, pots, etc). As a consequence of this practice, another practice became progressively taken-for-granted, that is *giving freedom to designers* to conceive objects as they wanted--in addition to decorate (only) a functional tool as they wanted (as happened in phase 1) even at the expenses of diminished functionality. This change in the taken-for-granted intent and practices in Alessi was facilitated by a new activity developed in this phase: *publishing books* related to any relevant initiative. This practice was a sense-giving practice because it aimed at helping both internal and external audiences (employees, clients and final customers) to make sense of the institutional change that was happening in Alessi (ID19). By the very end of 1989, Alessi's members detailed the

sequence of activities involved in the process of new product development "by systematizing Alessi's best practices in new-product development in previous years, and it was meant to provide formal guidance for future projects (Salvato, 2009)."

In phase 3, these practices were all maintained and improved. Two new experimental practices are noteworthy for their function of recombining logics into a unique system: the development of the *success formula for evaluating new objects* in the course of the product development, and the use of *inter-disciplinary workshops* for conducting theoretical and applied research. For example, the Success Formula was a formalized heuristics developed between 1990 and 1995 to understand how much a given new object incorporates the different functions that Alessi's recombinant intent came to indicate (both practical and cultural function in the various nuances) and brought to experiment with (see later—experimentation with product attributes). It included four parameters to capture the following dimensions: cultural function associated to the aesthetic enjoyment, display and reflection (CL parameter--Communication and Language), and the emotive enjoyment (SMI parameter—Sensoriality, Memory and Imagination), and the practical function of an object (Functionality and Price parameters). The formula was applied throughout the process of objects evaluation and informants referred frequently to its parameters when describing a specific object. Table 7 reports additional illustrative evidence.

-----Insert Table 7 about here-----

***Legitimizing Efforts in the New Fields.*** As observed before, the exploration of resources from the new field had also the function to establish organizational legitimacy as a new member of the field of

cultural production (Scott, 2002). However, Alessi engaged also in different ways with members of the field of cultural disseminations (Bourdieu, 1986/1993) such as museums and critics, who are the gatekeepers of the field (Becker, 1982) that classify products in a way that attracts audience (Zuckerman & Kim, 2003). Whereas in the initial attempt, Alessi tried to use endorsers of its intended role as industrial manufacturer of art, in phase 1 our data show no such attempt anymore. Following the new formulation of the recombinant intent in phase 2 though, Alessi engaged intensely in activities through which it could gain the endorsement as an player in the field of cultural production. For example, it *promoted exhibitions* in modern art museums, and design centers around the world on either specific initiatives (e.g. Tea & Coffee Piazza, 100% Make up, Tea & Coffee Tower, etc) or the history of its production at different points in time (e.g. Paesaggio Casalingo; Not in production/next in production, Officina Alessi etc.). One informant recalled that they "*were looking for an important accreditation within the cultural world* (ID19)." Moreover, it engaged also in another activity that resonated with its intended role of artistic industrial mediator, that was the *reproduction of historical and artistic objects* designed by laboratories of the past. This was meant to be a statement of similarity to those artistic movements of the past to which Alessi wanted to be associated with because "*they represent the activities of one of the research laboratories in the Applied Arts whose mission is something Alessi holds dear to heart* (1985, quoted in CA03, 2006)." These activities remained unchanged also in the subsequent phase.

***Modification of Organizational Structure.*** New roles for handling new knowledge are critical for taking-for-granted a new way of doing things within organizations (Berger & Luckman, 1966). For example, the

legitimation of technology patenting at Stanford University passed through also the elaboration of new roles (Colyvas & Powell, 2006). Boundary-spanning structures are necessary to buffer organizations from influences of the environment and signal commitment to institutionalized norms and beliefs (Rao & Sivakumar, 1999). Alessi needed somehow to make the process of new object development smoother, to build internally knowledge about the field of cultural production (both in terms of use of its resources, gatekeepers and object characteristics), and to signal its active participation in the field of cultural production. New roles and new functions to facilitate the implementation of the recombinant intent and the exploration of and experimentation with resources and practices took place only in phase 2 and 3. In phase 2, it introduced the role of the so-called "*authenticity keeper*," a person who had to follow every design proposal throughout the stages of the development process in order to warrant that designers' idea was kept intact by buffering the interaction between technicians and artists/designers and reconciling their conflicting beliefs and actions: "*I wear two hats: on the one hand, I have to take care of the technical aspects, and, on the other hand, I have to satisfy the meta-project environment [i.e. the creative and cultural aspects]. Sometimes, these two areas are conflicting (ID6).*" Moreover, the coordinated position in multiple fields was reflected in the use of *two CEOs* (since 1984), attending to the norms of different fields and working together to make the synthesis possible in practice:

*[Alberto Alessi] is not an entrepreneur, he is an artist. [...] Michele [co-CEO] is an entrepreneur [...]. This is also a good thing, because in a company that works well, it is better to have someone who pushes forward and someone else who puts on the brakes, otherwise there is a risk of going too far on either side (ID21).*

In phase 3, two new field-spanning structures and roles were introduced to fine-tune the recombination of logics in Alessi: the *Centro Studi Alessi* (CSA, i.e. a research centre) founded in 1990, and the *Alessi Museum* in 1998; the *CSA coordinator* (Laura Polinoro) in 1990 and the *meta-project coordinator* (Gloria Barcellini) in 1996. For example, the museum was set up for favoring the exchange of information and the collaboration with institutions from the field of art, by creating an homologous structure (Bourdieu, 1986/1993) to resonate with actors of the field of cultural production. Therefore, it served the function of conveying more appropriately the legitimation efforts of Alessi (ID2; ID5). Moreover, its function reinforced Alessi's recombinant intent, as an informant pointed out:

*Our museum contributes to underlie the peculiarity of Alessi, which is to be, beside an industrial company, a laboratory of applied arts; an element of material mediation between the immense creative potential and the needs, the desires and perhaps even the dreams of people (ID13)."*

**Experimentation with Product Attributes.** We have observed two different directions (stylistic and symbolic) for experimentation with product attributes which, in turn, assumed a different connotation along with the different functions that objects were intended to satisfy (aesthetic enjoyment; reflection; display; emotive enjoyment). The experimentation with product attributes indeed followed the type of intended object function contained in the various formulation of recombinant intent. All affected perception to stimulate new meaning making; however, they differed in the specific aspects of product form and the relationships between designer, object, user, and the general cultural context they reflected and activated. Our goal was not to establish whether these are indeed distinct types of symbolic innovation, but simply to highlight: a)

the sustained emphasis on experimentation with product attributes in Alessi's new formulation of recombinant intent; and b) the search for different ways to engage the formal properties of object in order to implement the organization's intent. Alessi chose to emphasize formal innovation because the formal properties of an object can create different types of consumer value (different from the pure functional value of an object that enables consumers to complete a task). The ideas of the value associated with formal innovation has never been developed fully in texts but has been hinted multiple times (referred as "*the cultural plus value of Alessi' objects*," CA29, 1989), and elaborated further over time.

During the initial attempt, the value of art multiples was taken-for-granted and Alessi's role in creating value was seen in reducing the cost of producing art objects (through the method of industrial production). The failure of this project moved Alessi to search for different means to endow its products with art utilities, which include reflection, aesthetic enjoyment, and display (Becker, 1982). Each of the type of formal innovations it experimented with in all phases sought to discover the means for creating one or more of these properties. For example, even the formal properties in phase 1 (stylistic innovation rather than explicit symbolic innovation) might be seen as implementing the intended object function of conveying a naive version of the aesthetic enjoyment utility that some artworks can give. However, in this phase the importance of functionality was not questioned, and was consistent with the idea of aesthetic differentiation (Eisenman, 2007), i.e. a change in the style of products, and was later defined as "*functionalism* (Fabbri & Careri, 1994, 24)."

The new direction for search in phase 2 drove Alessi to experiment with product features further beyond what was done in the prior phases through adding a new direction that was consonant to the new intent. Alessi experimented with product attributes in terms of *symbolic innovation* by leveraging on the ability of applied-art household to give value to customers relatively to cultural value (the fact of being product of artistic expression) in terms of 1) the effects of specific formal attributes of objects that modify the way of using it (reflection); 2) the fact that the object itself is the very outcome of an artistic creation process and that is produced by a manufacturer that is accredited as cultural producer (display).

In phase 3, the experimentation with product attributes for the *symbolic innovation* leveraged on the possibility for formal attributes to trigger emotive enjoyment (accordingly to the new formulation of intent in term of object categorization as “instrumental toy” and object function as “emotive enjoyment”), which is among the possible values that artworks can give (Gaut, 2007), especially in the sub-field of commercial art (logic of large scale cultural production). Despite it was not the intended direction (CA27, 1993), the pursuit of this type of symbolic innovation came to be perceived outside the organization at the end of the 1990s as having subsided the production of objects as “*applied art* (ID23)” without succeeding in synthesizing the two categorizations and respective intended functions (synthesis that conversely happened successfully in Phase 2 with the categorization of objects as tools and as artworks into “applied art”). Table 8 reports additional illustrative evidence.

-----*Insert Table 8 about here*-----



## **Outcomes in the Different Fields**

Prior organizational research has highlighted that economic and artistic success in the field of cultural production are unrelated and measured differently. For example, in the movie industry, whereas Oscar awards are a measure of field recognition of artistic success, the volume of tickets sold indicates the economic success. The two measures are not correlated (Holbrook & Addis, 2008) and they vary according to which critic reviews the movie (Zuckerman & Kim, 2003). Coherently with these observations about the field of cultural production, we observed that also the outcomes of Alessi's search for a position in two fields can be measured in a twofold way. The position in the old field (industrial household manufacturing) is measured through commercial and financial outcomes. During phase 2 the industry reported decreasing national sales (Largo Consumo, 12, 1985), but Alessi was indicated as one of the few firms that was able to pass through the crisis and reported increasing sales thanks to the creation of well protected niches where design of objects is the differentiating element. Revenues grew from about 5 million Euros in 1980 to 80 million in 2006, and growth was higher than average (Salvato, 2009), and in phase 3 playful objects accounted for 2/3 of sales growth (Databank, 2008).

The gained position in the field of cultural production (applied art) can be measured in terms of participation to the activities of the field and in the recognition from field participants. Basing on a survey conducted by Alessi museum in 2007 on a sample of modern art museums, more than 600 Alessi objects belong to permanent collections, about 300 of which produced in phase 3, 250 in phase 2, and about 44 in phase 1. Alessi museum receives more than 30 loan request a year from modern art

museums to be displayed in temporary exhibitions. Alessi and its objects received overall more than 100 awards conferred by professional design associations (e.g. objects produced in phase 3 received 66 awards).

The initiative and the accreditation on the field of cultural production generated positive spillovers on the commercial side (from phase 2). For example, the operation Tea & Coffee Piazza is referred to as a groundbreaking operation that made Alessi visible internationally and that *"established the role of the company as a kind of ideological carrier representing new forms of Postmodernism in the artifact* (Daniel Weil, quoted in Gabra-Liddell, 1998, 148)." It also provided the organization with *"an incredible number of contacts and have new experiences which would come in very handy for the product policy of the following years* (Alessi quoted in Gabra-Liddell, 1998, 39)." Many new objects designed by artists became blockbuster products. Data indicate some fiascos, i.e. objects predicted to sell 100,000 pieces and that fall short of expectation, such as a kettle designed by Rossi after the great successes of Michael Graves' and Sappers' kettle. However, fiascos too had always been important in the process of change in Alessi because made Alessi reflect and redirect future activities. As Alberto Alessi recalled:

*I learn much more from the fiascos than from any other type of product. The reason for this is that Alessi's destiny is to work [...] as close to the borderline [between what I call the 'area of possibility' and the 'area of impossibility'] as possible. What makes this difficult is that the borderline is not clearly marked; there is no market research to help us understand where it lies. The only way to discover where it lies is by producing fiascos. When we produce a fiasco, it means that we have fallen in the area of impossibility. [...] this insight may help us to resuscitate a fiasco, but it is very precious in guiding the rest of our activity (A. Alessi, quoted in Moon, Dessain, & Sjoman, 2004b, 6).*

We present next the analysis of the role of reflection on outcomes and prior steps.

## **Theorization**

Theorizing is "*a strategy for making sense of the world* (Strang & Meyer, 1993, 493)" and is an essential step in the process of institutional change at the level of the field (Greenwood, Hinings, & Suddaby, 2002). Past literature has highlighted a twofold role of theorization in institutional and organizational change. First, it provides coherence and legitimacy. Indeed, it provides a compelling argument for change through justifying possible solutions to organizational failures (Tolbert & Zucker, 1996), and providing moral/pragmatic legitimacy to the audience of an existing field (Greenwood et al., 2002). Differently from mature fields, because of the lack of consensus among actors, in emerging fields theorization provides (Maguire, Hardy, & Lawrence, 2004) a) multiple arguments (rather than one compelling) translating the interests of diverse constituents, and b) causes and effects to make clear the consequences for supporting or not supporting the proposed new practices. Moreover, it is helpful in translating new ideas across organization and to inform peoples' future action (Bartel & Garud, 2009; Birkinshaw, Hamel, & Mol, 2008). Second, theorization provides continuity to organizational action in the form of revisionism of past history to make it consistent with future desired actions and elaboration of organizational identity (Gioia, Schultz, & Corley, 2000).

What we observed in Alessi resonates partly with prior findings. Indeed, theorization is used to provide internal and external audiences with arguments to understand the extensiveness of the changes undertaken by the organization (Bartel & Garud, 2009; Birkinshaw et al.,

2008) and therefore it provides cognitive legitimacy. However, we uncovered an additional instrumental use of theorization. The organization used narratives to delineate explicitly future directions for the organization that guide the process of institutional change (what to change and how). These included not only the parameterization of the recombinant intent but also the resources to use and the practices to experiment with. Indeed, the process of change was always fed by some form of theorizing, either in form of systematic analysis of past history or initiatives collected in books and other texts, or in the form of on-going reflection and sense-making of the outcomes of given initiatives. For example, the modification of the recombinant intent from the initial attempt to Phase 1 was driven by the on-going reflection that the negative commercial and organizational outcomes could not be sustainable in the future, and that required a different search for a coordinated position in the multiple fields.

In phase 1, the very positive sales performances of objects produced in this phase re-assured Alessi family members that the direction taken was profitable and operated as positive cognitive feedback increasing confidence in the potential of the new intent (*on-going reflection on unexpected outcomes*). Indeed, Alberto Alessi recalled that "*Sales that big were of huge importance to me: I had proved that designers-item could sell well (CA13, 2003).*" Alessi made also the first attempt of *on-going analysis of history*, i.e. a "critical and historical systematization of Alessi's production (ID19)" which Mendini was firstly hired to carry out. The explanation for this action is again to be sought into the educational background of Alberto Alessi and his close collaborator Renato Sartori who needed so make sense of the walked path:

*in those times [we were people] working with a high-school degree who needed these systematizations, or we would not understand well and risked losing some pieces. So we told ourselves: 'let's do this work that will help us to understand and to think' (ID19).*

Alberto Alessi seized the opportunity to stir the intended change forward again in the next phase, under the guidance and stimulus by Mendini.

In phase 2, data shows an *on-going reflection on the future* based on un-expected outcomes of some initiatives and consequent redirection. Tea & Coffee Piazza for example looked as if it was bringing nowhere (CA11, 1998). However, the number of important exhibitions in museums in the USA, and the large resonance in the media made Alessi change direction for the future. We also observed an intense activity of *retrospective book writing and publishing to systematize the history* (reflection on the past) and *books and documents containing plans for the future*. The phase itself opened up with *Paesaggio Casalingo* written by Mendini in 1979, which systematized Alessi's history and production from its founding, and planned in details actions for the future to become a member also of the field of cultural production. Another important book was published by external architects to make sense of the first years of experimental activity (Steel and Style, 1985). Finally, in 1989, another book (*Officina Alessi*) collected numerous contributions of external collaborators and contacts (Mendini, Polinoro, Burkhardt, and many architects) in addition to Alberto Alessi's ones. It contained a review of the last 10 years of new product development and production, and concluded with ideas to develop initiatives able to exploit more systematically the emotive side of people and their relationship with objects. This direction indeed characterized the intent and changes we observed in the next phase.

In phase 3 (since 1998), Alessi edited numerous editions of an historical analysis through the lenses of the collaboration with artists. The books were called "The dream factory" and were set out to:

*tell the tale of how a deep-rooted, hard, traditional, and perhaps even inward looking manufacturing tradition has blossomed into our own business venture, on the contrary characterized by constant innovation, open to experimentation and to the paradoxical results of casting from a poetic mould. How Alessi has changed from being a Workshop for the working of brass and nickel silver plates, with foundry" (so read the sign over our stand at the first Milan Trade Fairs in the twenties) into one of the "factories of Italian design (CA11, 1998).*

Other books were meant to reflect on the collaboration with specific artists.

## **DISCUSSION AND CONCLUSION**

Our approach treats the recombination of beliefs and norms comprised in different institutional logics as a specific problem of institutional change at the organization level of analysis inasmuch as it entails the deconstruction and reconstruction of institutionally contradictory goals, structures and practices (Kraatz & Moore, 2002). The search for deconstruction and reconstruction which involves the recombination of beliefs and norms from different institutional logics is particularly challenging because it involves the re-cognition of novel categories of beliefs and norms and of the actions they guide (Stark, 2009). Organizational innovation in different practices and strategies is recombination of different beliefs and norms (institutional elements) because *"change, even fundamental change [...] cannot be understood as the passage from one order to another but should be seen as rearrangement in the patterns of how multiple orders are interwoven*

(Stark, 2009, XV).” Despite this phenomenon is pervasive in society (Kraatz & Block, 2008), the process for doing that is yet unexplored.

What we observed in the Alessi’s process for becoming an hybrid organization spanning multiple fields supports Stark’s (2009) idea that new ideas and practices are not free floating in the environment but must be searched for and generated through a lengthy process of recombination of beliefs and norms belonging to logics of different fields and that must be interwoven into resources and practices of the organization.

This study contributes to institutional theory by expanding understanding of how organizations can recombine logics from different fields and implement institutional change. It also contributes novel insights to strategy research about strategic renewal.

First, it highlights the process (relationships and outcomes) of the recombination of logics that drive actions in different ways. At the level of organization, prior research has highlighted specific problems that arise (Glynn, 2000; Townley, 2002), practices that are developed (D’Aunno et al., 1991) or structural arrangements that are meant to enable organizations to deal with different logics (Tushman & O’Reilly, 1996). However, no theory to date helps us understanding the *process* through which organizations can strategize and develop successfully new practices by recombining existing institutional logics. Moreover, prior literature has hinted at the challenges implied by such a process because it involves an on-going recognition of novel categories (Stark, 2009), the formation of new organizational forms to sustain the recombination between different norms and beliefs (Stark & Girard, 2009), and the management of identity conflicts of organizational members (Colyvas & Powell, 2006; Glynn,

2000), façade compliance and opposition (Townley, 2002). By looking at the process holistically and longitudinally, this study fills the gap in prior organizational research by developing a fine-grained understanding of what are the steps and mechanisms that make such a process unfold. Our insight is that the process of recombining logics can be conceptualized as a deliberate search for a coordinated position in multiple fields and that it can be structured around core activities that guide and inform search. The first of such activity is the formulation of a clear recombinant intent that parameterizes the dimensions to be recombined and to what extent. It drives the other activities such as the exploration of resources from the new field, the experimentation with field-spanning practices, the legitimizing efforts, the experimentation with product attributes. Activities that make the process evolve are the control of outcomes and the theorization of prior steps.

Second, we illuminate prior understanding of the organizational use of different institutional logics by detailing the strategies of recombination of elements of different logics. Prior studies referred to such recombination as blending (Glynn & Lounsbury, 2005), grafting (Oakes et al., 1998; Purdy & Gray, 2009), transformation (Purdy & Gray, 2009), and hybridization (Colyvas & Powell, 2006; D'Aunno et al., 1991). However, these terms lack specificity because do not distinguish among different types of recombination and, therefore, seem to lack construct validity. Indeed, the studies that used them were not meant to illuminate the distinction among different types of recombination. Conversely, we uncover specific types of recombinant strategies that organizations can deploy on the basis of the extent to which norms and beliefs of the original logic about several organizational dimensions are maintained as guidance for action. These strategies are compartmentalized addition,



enriched maintenance and synthesis. This distinction is important not only for the sake of clarity and precision. It is important also because it allows illuminating the specific way in which each recombinant strategy is enacted, and therefore the specific way to implement institutional change. Each of these recombinant strategy is associated to a different bridging strategy, i.e. to a different "*attempt to satisfy the expectations of both [...] fields* (Purdy & Gray, 2009, 368)." For example, when the recombinant strategy was compartmentalized addition, Alessi's bridging strategy was the production of objects valued in the field from which some norms and beliefs were added (i.e. the field of restricted cultural production), in addition to keeping on producing other objects that were still valued in the original field. Later on, the organization attempted to satisfy the expectations of both fields in a different way. During the recombinant strategy "enriched maintenance," Alessi tried to become attractive to human resources from the new field as mean to enhance acceptability of offer in its own field. Finally, during the recombinant strategy "synthesis," Alessi was attempting to satisfy expectations of both fields by being a legitimate manufacturing organization in both fields. The distinction between recombinant and bridging strategies refines prior understanding of bridging strategies from one possible way in which organizations recombine different logics (Purdy & Gray, 2009) to one outcome of such recombination. Again, this distinction is relevant because reveals the attempt to bridge fields as a specific outcome of institutional change, and highlights an escalating path of bridging.

Third, we show the strategic outcomes of the change due to recombination of different logics. The shift in logics has been shown to stimulate field-level (e.g. Thornton & Ocasio, 1999) or population-level (Scott et al., 2000) change, such as the emergence of professional

associations (Lounsbury, 2002) or the decrease in the density and centrality on independent organizations (Scott et al., 2000). However, the strategic outcomes of the recombination of different and incompatible logics still await systematic investigation and theorization at the level of the organization. In this research, we observed that this process can lead organizations to positive outcomes such as financial success and legitimacy in both fields. More importantly, we argued that this process of institutional change through the recombination of elements of contradictory logics leads organization to strategic renewal, as discussed next.

Finally, we contribute to strategy literature on strategic renewal. Indeed, the type of organization-level institutional change we explored (i.e. through the recombination of different logics) can be conceptualized as a form of *strategic renewal*, and the recombinant strategies that trigger the process as object of strategic decision. Prior literature saw strategic renewal as determined by exogenous shocks in the environment or by the incremental enhancement of activities such as R&D, alliances, alteration of core business (see Agarwal & Helfat, 2009 for a review). Most research in management has focused upon the analysis of strategic action for the creation of value through product- and process-related technological improvements that increase the quality and functionality of products, and/or reduce their costs. The success of product innovation, for instance, is understood primarily as a result of the introduction of functional advantages relative to competing products (Brown & Eisenhardt, 1995) and customer preferences and needs (Christensen, 1997). However, little attention in strategy research has been devoted to explore how value can be created through combining beliefs from different logics. Examples abound of organizations that have recombined beliefs of different logics to

create innovative products, such as Nokia's mobile phones through the recombination of beliefs about the categorization, function and attributes of products typical of the fashion logic and the industrial logic (Djelic & Ainamo, 2005). Or radical and successful product innovations such as fashion jeans, medical devices and mobile phones are ascribed to the capacity of organizations to recombine knowledge of different and disparate fields such as traditional women's wear clothing and laundry technology of hotel and hospitals, basic life sciences and clinical practice, radio and telephone technologies respectively (Lester & Priore, 2004). In order to do so organizations have to modify their structures, goals and practices, as studies on hospitals, universities etc have shown (Kraatz & Block, 2008). We contribute to the literature on strategic renewal by highlighting novel ways in which firms can modify their strategy and create value, that is through looking beyond the possibilities offered by technologies and searching for ways to combine beliefs and norms from logics of different fields. The specific organization, on which we grounded our theory, searched for ways to recombine beliefs and norms of a field (cultural production) that, back then, had no relationship with the field in which the organization was embedded (manufacturing of metal tableware). The search brought to the recombination of beliefs and norms of different logics and the re-cognition of categorization and function of household objects, of their method of production and of the role of the organization itself. In turn, it drove a) the change across structures and systems of the organization, and b) the creation of a new profitable market through the experimentation with product attributes that convey value in novel ways. In retrospect, the search might seem trivial because each of us takes now the new category, product attributes and ways of operating for granted, but it was not back then.

Another important feature of this model of the process of recombination as possibility for strategic renewal is the fact that entails a complex interwoven of beliefs and norms across material, socio-structural, and cognitive dimensions of the organization. The complexity and interconnectedness of the process, and of the resulting organizational form to manage it, reduce therefore the threat of imitation by competitors (Barney, 1991). More generally, stories of firms hiring artists and anthropologists abound (Schrage, 2000), but few producers of conventional consumer goods have emerged as recognized contributors to the domain of "cultural production." These attempts are sometimes seen as misguided, sometimes as wasteful, and sometimes as pure marketing techniques; our research shows that not only they cannot remain isolated practices in functional department, but organization-wide learning may be required to derive benefits through integration of their distinct contributions to an organization's extant capability base. We highlight a different and valuable path conducive to strategic renewal, that is the recombination of different institutional logics and the consequent search for and implementation of incremental and radical changes in organizational practices, structures and goals. By doing so, we enrich extant understanding of how organizations change and morph into different forms (Rindova & Kotha, 2001) to change competitive conditions (Stark & Girard, 2009).

**TABLE 1**  
**Details on Data Collection**

Source of data	Type of data	Use in the analysis
<b>Corporate Archive*</b>	<p><b>Books</b> published by Alessi between 1979 and 2006:</p> <ol style="list-style-type: none"> <li>1. <i>official corporate autobiographies</i> written by organizational members.</li> <li>2. <i>books on specific product development projects</i>.</li> <li>3. <i>books on designers who collaborated with Alessi</i>.</li> <li>4. <i>reports from theoretical workshops organized by Alessi</i>.</li> </ol>	<p>Rich textual data that refers to different points in time are ideal to track changes in the goal, structures and procedures of organizations and their members. Main source of data for identifying the main steps and mechanisms for institutional change (Maguire &amp; Hardy 2009).</p>
	<p><b>Commercial catalogues</b></p> <ol style="list-style-type: none"> <li>1. Alessi's: from 1960 (prior to the arrival of Alberto Alessi) to 2007. Since the mid Seventies, the catalogues contained texts commentaries by Alberto Alessi.</li> <li>2. Competitors' (few years).</li> </ol>	<p>Additional support for understanding Alessi's changing categorization and function of household objects. Indication of on the differences between Alessi and competitors on the way of categorizing household objects.</p>
	<p><b>Video-taped archival interviews</b> recorded by Alessi Museum in 1999 and 2001 with former protagonists of Alessi's history (no longer available for interviews): Carlo Alessi (Alberto's father and former CEO); Ettore Alessi (Alberto's uncle and former technical manager); Architect Carlo Mazzeri (first external designer to collaborate with Alessi); Architect Franco Sargiani (who revamped the logo and packaging in the early 1970s).</p>	<p>This recorded material was used to triangulate facts and observations. It enriched our understanding of a) events that occurred before the change process began, as well as of the early years of the change; b) goals, structures and practices in Alessi before the beginning of the change and during the initial attempt and Ph.1.</p>
<b>Interviews</b>	<p><b>First round (2006-2007)</b>, 12 interviews with 10 members:</p> <ol style="list-style-type: none"> <li>1. the CEO.</li> <li>2. his closest collaborators.</li> <li>3. junior and senior managers across functions (marketing, communication, product development, sales, and operations).</li> </ol>	<p>Broad topics about the history of the organization, its goals, structures, and practices. Informants discussed the ways in which Alessi has changed over time. One or more members of the research team involved; duration between one and four hours; all were recorded and transcribed verbatim for a total of 159 pages double-spaced.</p>
	<p><b>Second round (2008)</b>, 13 interviews:</p> <ol style="list-style-type: none"> <li>1. five members (including two retired managers who worked in Alessi far before Alberto Alessi entrance).</li> <li>2. two external collaborators (Alessandro Mendini, a close collaborator of Alberto Alessi since the mid 1970s, and Stefano Giovannoni, who, in the last twenty years,</li> </ol>	<p>Verified the timeline of changes associated to given initiatives, and were conducted by one or two members of the research team, lasted between one and three hours, and were all recorded and transcribed verbatim for a total of 150 pages double-spaced. Interviews with</p>

Source of data	Type of data	Use in the analysis
	<p>has designed more than 250 products for the organization).</p> <p>3. two external experts of architecture and design: one is a scholar of industrial design, author of numerous books on design history, founder of the first industrial design school in Italy, and curator of Design museum in Milan; the other expert is an architect, journalist and design consultant of numerous manufacturers.</p>	<p>external experts offered a broad and detailed understanding of a) Italian and European industrial context; b) links between the field of cultural production (art and architecture) and the field of Italian industrial design from the 1960s.</p>
<b>Other archival sources</b>	<ol style="list-style-type: none"> <li>1. <b>Scholarly publications:</b> on Alessi written by art critics (Casciani, 1996), business historians (Casciani, 1996; Sweet, 1998), design (Verganti, 2006) and management students (e.g. Salvato, 2006), and scholarly publications on design history (Branzi, 1999, 2008; De Fusco, 2002).</li> <li>2. <b>Industry reports</b> on the Italian metal household industry (Databank 1984, 1989, 2006, 2007).</li> <li>3. <b>Specialized media:</b> architecture and design magazines (<i>Domus</i>, 1965-; <i>Ottagono</i>, 1965-; <i>Casabella</i>, 1970-; <i>Modo</i>, 1984-; <i>Abitare</i>, 1970-1979), the oldest household industry magazine (<i>Articoli casalinghi e Piccoli Elettrodomestici</i>, 1969-1980) and various Italian and American household magazines (various issues in the 1980s and 1990s).</li> <li>4. <b>Data on acquisition of Alessi objects by museums.</b></li> <li>5. <b>Data on awards to Alessi objects.</b></li> <li>6. <b>Data on Alessi's financial performance</b> (discontinued years: Alessi is a privately owned company and does not disclose financial information. We used public sources to find data about recent years, but for oldest years we had to rely of third-party accounts).</li> </ol>	<p>This material was used to triangulate facts and observations about Alessi's process of change. It enriched our understanding of a) the field of cultural production (art-driven design), and b) the relationship between Alessi's process of change and the change in its field.</p>

**TABLE 2**  
**Method: Stages of Analysis**

<b>Analytical goal</b>	<b>Data used</b>	<b>Analytical procedures</b>	<b>Analytical outcomes</b>	<b>Theory development</b>
Constructing a case history and an understanding of the field-level context	1) Corporate archive. 2) Interviews (first-round). 3) Scholarly publications. 4) Media articles. 5) Industry reports.	Thematic analysis	1) Case history (107pages) 2) A chronology from 1921 to 2006 of relevant internal and external events, changes, and outcomes.	Observation of an extensive change of the organizational <i>form</i> that started in 1970 and unfolded over time. Such change 1) rendered Alessi's form different from the taken-for-granted form in its field; 2) involved the recombination of beliefs and norms of the logic of a different field.
Identifying the pattern of change (time and content) of organizational goals, structures and practices	As above + case history.	Thematic analysis (product related initiatives as sub-unit of analysis).	Data set of 50 product-related initiatives from 1955 in chronological order with a description of purpose; content; proponents; participants; outcomes; technologies; resources from the cultural production field.	Observation that 1) the process of change began in 1970; 2) all subsequent changes took place along with new initiatives, 3) from 2000 there was no change any more.
Identifying the organizational goals, structures and practices	1) Corporate archive. 2) Interviews. 3) Scholarly publications. 4) Media articles. 5) Industry reports.	1) Multiple rounds of open coding to develop 1 <sup>st</sup> order categories. 2) Axial coding to relate 1 <sup>st</sup> order categories to each other and aggregate them into 2 <sup>nd</sup> order themes (activities of the process). 3) Selective coding to aggregate 2 <sup>nd</sup> order themes into core theoretical dimensions (constructs).	1) Identification of various recombinant intents. 2) Identification of different activities (2 <sup>nd</sup> order themes) 3) Recording outcomes in different fields. 4) Identification of three phases in which 1-st order categories and 2 <sup>nd</sup> order themes changed.	The variation in the intent to combine beliefs and norms of different fields brought to the construct "formulation of recombinant intent". The change in multiple activities over time to enact the intent brought to the construct "search for a coordinated position in multiple fields." The observation that each formulation of intent was modified after a systematic reflection led to the construct "theorization," and that a new direction for search was sought for brought to identify three phases in the process.

Analytical goal	Data used	Analytical procedures	Analytical outcomes	Theory development
<p>Relating the changes in formulation of intent, activities of the search for a position in multiple fields, outcomes and theorization</p>		<p>Cross-case analysis using each phase as a single case.</p>	<ol style="list-style-type: none"> <li>1) Tables to compare first-order categories and second-order themes.</li> <li>2) Synthetic narrative for each phase.</li> <li>3) Table to map the evolution of categories and themes across phases.</li> <li>4) Figures to draw the relationship of themes within phases and across phases.</li> </ol>	<p>Within each phase, we identified the relationship between the formulation of recombinant intent and the content of activities for searching a position in multiple fields. Theorization was what moved the process at the next phase with a new formulation of intent. Then, we drew the relationships among constructs and their activities across all phases, which represent the unfolding of the process of change.</p>
<p>Development of the grounded theoretical model</p>	<ol style="list-style-type: none"> <li>1) Tables to compare 1st order categories and 2nd order themes.</li> <li>2) Table to map the evolution of categories and themes across phases.</li> <li>3) Figures to draw the relationship of themes within and across phases.</li> </ol>	<ol style="list-style-type: none"> <li>1) Cross-case analysis (replication logic).</li> <li>2) Selective coding to connect new constructs and relationships in a coherent theoretical framework.</li> </ol>	<p>Theoretical general framework.</p>	<p>The formulation of a new recombinant intent defines the type of recombination of beliefs from different logics about various dimensions. It determines the change in type and content of the other activities of the search and generates outcomes in both fields and theorization, which feeds back the direction of search.</p>



**TABLE 3**  
**Data Structure Across Phases, and Phase-specific Content**

Aggregate Dimension	Second-Order Theme	First-Order Category ( <i>and elaboration of content</i> ), by Phase			
		Initial Attempt (1970-1975)	Phase 1 (1972-1978)	Phase 2 (1979-1989)	Phase 3 (1990-2006)
<b>SEARCH FOR A COORDINATED POSITION IN MULTIPLE FIELDS</b>		Combination of beliefs and norms about intended <u>object categorization</u> : <b>addition of new</b> ( <i>artworks, in addition to household tools</i> )	Combination of beliefs and norms about intended <u>object categorization</u> : <b>maintenance of old</b> ( <i>household as tool</i> )	Combination of beliefs and norms about intended <u>object categorization</u> : <b>synthesis</b> ( <i>household as “applied art”</i> )	Combination of beliefs and norms about intended <u>object categorization</u> : <b>synthesis</b> ( <i>household as “applied art” &amp; as entertainment</i> )
		Combination of beliefs and norms about intended <u>object function</u> : <b>addition of new</b> ( <i>cultural function-collection</i> )	Combination of beliefs and norms about intended <u>object function</u> : <b>enriched maintenance</b> ( <i>practical &amp; cultural function</i> )— <i>aesthetic enjoyment</i> )	Combination of beliefs and norms about intended <u>object function</u> : <b>enriched maintenance</b> ( <i>practical function &amp; cultural function-aesthetic enjoyment, reflection and display</i> )	Combination of beliefs and norms about intended <u>object function</u> : <b>enriched maintenance</b> ( <i>practical function &amp; cultural function-aesthetic enjoyment, reflection &amp; emotional enjoyment</i> )
	<b>Formulation of recombinant intent</b>	Combination of beliefs and norms about intended <u>method of production</u> : <b>maintenance enriched</b> ( <i>process of industrial production &amp; human resource from art field</i> )	Combination of beliefs and norms about intended <u>method of production</u> : <b>enriched maintenance</b> ( <i>traditional process of industrial production enriched by the use of human resources from another field</i> )	Combination of beliefs and norms about intended <u>method of production</u> : <b>synthesis</b> ( <i>new process for developing products that intertwines norms of logics from both fields</i> )	Combination of beliefs and norms about intended <u>method of production</u> : <b>synthesis</b> ( <i>new process for developing products that intertwines norms of logics from both fields</i> )
		Combination of beliefs and norms about intended <u>organizational role</u> : <b>addition of new</b> ( <i>support personnel in the art field</i> )		Combination of beliefs and norms about intended <u>organizational role</u> : <b>synthesis</b> ( <i>mediator between different fields</i> )	Combination of beliefs and norms about intended <u>organizational role</u> : <b>synthesis</b> ( <i>mediator between different fields; dream factory</i> )

Aggregate Dimension	Second-Order Theme	First-Order Category ( <i>and elaboration of content</i> ), by Phase			
		Initial Attempt (1970-1975)	Phase 1 (1972-1978)	Phase 2 (1979-1989)	Phase 3 (1990-2006)
	<b>Exploration of resources from the new field</b>	Use of different types of artists as product designers ( <i>sculptors</i> )	Use of different types of artists as product designers ( <i>graphic designers and architects</i> ) Advisory from specialists in other fields ( <i>architect as external consultant for marketing issues and collaboration of artists; architects as external consultant for revising history</i> )	Use of different types of artists as product designers ( <i>architects and urbanist architects</i> ) Advisory from specialists in other fields ( <i>architects as cultural consultants; semiotician</i> ) Spill over from the new field into the old one ( <i>search of</i> )	Use of different types of artists as product designers ( <i>architects, urbanists and young designers</i> ) Advisory from specialists in other fields ( <i>Use of architects as cultural consultants; Use of social scientists as source of inspiration</i> ) Spill over from the new field into the old one ( <i>search of</i> )
	<b>Experimentation with field spanning practices</b>	Translation of artistic language ( <i>as side-activity; smooth</i> )	Translation of artistic language ( <i>as main activity; difficult</i> ) New communication tools ( <i>editing a magazine</i> )	Translation of artistic language ( <i>as the only activity; after a while worked out</i> ) New communication tools ( <i>displays and catalogue</i> ) Experimental research transgressing norms of the old field Freedom to designers Publishing of initiatives-related books Inter-disciplinary workshops	New communication tools ( <i>sales meeting; flag-store</i> ) Experimental research transgressing norms of the old field Freedom to designers Publishing of initiatives-related books Inter-disciplinary workshops Success Formula for evaluating new objects
	<b>Legitimizing efforts in the new field</b>	Use of certifiers ( <i>critics, libraries</i> )		Self-promoted exhibitions Reproduction of historical objects	Self-promoted exhibitions Reproduction of historical objects
	<b>Modification of organizational structure</b>			Creation of field-spanning (or manufacturing/industry) roles ( <i>Authenticity Keeper; double CEOs</i> )	Creation of field-spanning roles ( <i>Metaproject coordinator; C.S.A. Coordinator</i> ) Foundation of field-spanning units ( <i>CSA; Museum</i> )

Aggregate Dimension	Second-Order Theme	First-Order Category ( <i>and elaboration of content</i> ), by Phase			
		Initial Attempt (1970-1975)	Phase 1 (1972-1978)	Phase 2 (1979-1989)	Phase 3 (1990-2006)
OUTCOMES IN DIFFERENT FIELDS	Experimentation with product attributes	Symbolic innovation ( <i>Objects of art without practical function</i> )	Stylistic innovation ( <i>Cosmetics enhanced but functionality preserved</i> )	Stylistic innovation ( <i>Cosmetics enhanced but functionality preserved</i> ) Symbolic innovation ( <i>being artistic expression; indicator of status</i> )	Stylistic innovation ( <i>Cosmetics enhanced but functionality preserved</i> ) Symbolic innovation ( <i>being artistic expression; indicator of status; emotive involvement</i> )
	Accreditation in the new field	Recognition by professional bodies Acquisition of objects by museums ( <i>produced and acquired in this phase</i> )		Recognition by professional bodies Acquisition of objects by museums ( <i>produced in the previous phase and acquired in this phase; produced and acquired in this phase</i> ) Loans requests from museums for temporary exhibitions ( <i>un-tracked</i> )	Recognition by professional bodies (produced and awarded afterwards-until 2007) Acquisition of objects by museums ( <i>produced in the previous phase and acquired in this phase; produced and acquired in this phase</i> ) Loans requests from museums for temporary exhibitions( <i>tracked since 2000</i> )
	Outcome in the old field	Sales performance	Sales performance	Sales performance Spillover from the new field into the old one	Sales performance
THEORIZATON	Reflection on the past  Reflection on the future		On-going analysis of history On-going reflection on unexpected outcomes	Retrospective book writing and publishing to systematize history  On-going reflection on the future Books and documents containing plans for the future	On-going reflection on unexpected outcomes Retrospective book writing and publishing to systematize history On-going reflection on the future Books and documents containing plans for the future

**TABLE 4**  
**Comparison Between the Logic of Metal Household Manufacturing and the Logics of Cultural Production**

Characteristics	Household manufacturing logic in 1970*	Cultural production logics**	
		Restricted	Large-scale
<b>Economic system</b>	Economic capital	Cultural capital Symbolic capital	Primacy of economic capital
<b>Organizational identity</b>	Manufacturing as a business	Art production as a <i>disposition</i> (i.e. vocation/aspiration)	Art production as a <i>disposition</i> (i.e. vocation/aspiration) Art production as business
<b>Legitimacy (Basis of)</b>	Market position of the firm Technological leadership Reputation	Cultural capital Symbolic capital- "making a name for oneself" (Bourdieu, 1993, 75)	Primacy of economic capital (success measured quantitatively) Cultural capital (to a less extent)
<b>Legitimacy (Source of)</b>	Acknowledgment by field intermediaries (magazines and retailers)	Consecration by the (small) intellectual audience: institutions like museums that conserve the capital of symbolic goods by ensuring the production of competent consumers; institutions (educational systems) to reproduce agents capable of renewing that type of art.	Consecration by mass audience (petit-bourgeois and working-class)
<b>Mission</b>	Economic profit	Symbolic capital (be consecrated) "Disavowal" of economic profit	Primacy of economic profit
<b>Strategy</b>	Gaining a competitive advantage Sustaining a competitive advantage	Gaining consecration: dominated producers or newcomers resort to subversive strategies by demanding to respect the fundamental law of the field (denial of economic profit) Maintaining consecration: dominant producers keep quite	Submission to the market
<b>Audience</b>	Users of commodity-like products.	Intellectual (producers, institutions).	Mass (petite-bourgeois; working class).

<b>Authority (Basis of)</b>	Management Ownership	None	None (audience?)
<b>Authority (Structure of)</b>	Top-down (from managers to employees)	None	None (network?)
<b>Basis of norms</b>	Employment relationship	Network in a given <i>position</i> in the field	Network in a given <i>position</i> in the field
<b>Focus of attention</b>	Firm-market relationship	Self Peer-to-peer relationship Position in network (i.e. field)	Position in network (i.e. field) Relationship with audience (both market and controllers/diffusers)
<b>Logic of investment</b>	Profitability	Symbolic capital No guarantee of monetary gains	Profitability
<b>New product development (principles for)</b>	Market-driven Time to market Developed technicians	Artist-driven only (ignoring or challenging existing demand) Long production cycle Act Developed by the artist	Following market/public demand Short or medium production cycle
<b>Output</b>	<i>Features:</i> traditional design (little formal innovation) <i>Aim:</i> Functional tool	<i>Features:</i> Avant-Garde art-- 'pure, esoteric and abstract (120)' accessible only to those who possess practical or theoretical mastery of a refined code <i>Aim:</i> Art for art's sake/intellectual: instrument of distinction	<i>Features:</i> Commercial/industrial art (more dependent from the educational level of consumers because it is based on it). Kitsch, profitable but simple hedonism <i>Aim:</i> primarily pleasure and entertainment

\*Based on our field-level data, Thornton's (2004) description of corporation logic, and Glynn's (2000) and others' descriptions of the business logic compared to the cultural one.

\*\*Based on Bourdieu (1986/1993).

**TABLE 5**  
**Formulation of Recombinant Intent: Selected Evidence for Phase-Specific Content of First-order Categories\***

First-order category	Phase-specific content and selected evidence		
	Phase 1 (1972-1978)	Phase 2 (1979-1989)	Phase 3 (1990-2006)
Combination of beliefs and norms about intended object categorization	<p><b>(household as tool)</b>            The task [given by Alessi for Program 5] was to update, let's say 'clean out', objects that were already existing in their using structure (Sottsass, CA30, 1985).</p>	<p><b>(household objects as "applied art")</b>            Other companies consider design as [...] just a superficial dressing to render industrial products more interesting. [...] Design [in the 1980s] is for us a creative discipline [...]: it is one of the most contemporary artistic forms (CA35, 2008).</p>	<p><b>(household as "applied art"&amp; as entertainment)</b>            Objects became ludic tools, telling little tales, giving captivating twists to everyday uses, suggesting a mediation with playfulness... they became a bridge to the fantastical (Alessi, Sweet, 1998, 109).</p>
Combination of beliefs and norms about intended object function	<p><b>(practical function and cultural function)</b>  <b>(aesthetic enjoyment)</b> The company's intent [in Program 7] was to realize a collection of gift-objects that have [...] a high quality of shapes (CA30, 1985).</p>	<p><b>(practical function &amp; cultural function)</b>  <b>(aesthetic enjoyment and display)</b> People's use of [household] objects is closer and closer to artistic use [...] Objects tend to de-functionalize themselves... (CA7, 1989).  <b>(reflection)</b> It is possible, by changing the nature of the object, to reorganize how it is used (CA25, 1989).</p>	<p><b>(practical function &amp; cultural)</b>  <b>(aesthetic enjoyment)</b> By way of the experience of our work we clearly realize that people buy our kettles [...] less due to the need of boiling water and increasingly [...] as a means for satisfying a [...] need for Art and Poetry (CA8, 1992).  <b>(reflection)</b> A cultural knowledge of objects enables us to recognize them as belonging to a culture [...]. Besides this however, we are at present interested in observing how objects indicate and tell a story of doing something for themselves and for somebody (CA27, 1993).  <b>(emotive enjoyment)</b> Design] is geared – at least in its intention - to the realization of people's dreams, to the utopia of making things that really do people good and help them to be a little happier (CA24, 1994).</p>

**Combination of beliefs and norms about intended method of production**

**(traditional process and technology of industrial production enriched by the use of human resources from another field)**

Instead of informing its own [aesthetics] choices over the whole catalogue, the company gives word to the various authors/designers and makes them responsible for the various programs. [...] just like a publisher does not usually interfere in the work of one of his authors (CA19, 1979).

**Combination of beliefs and norms about intended organization role**

**(new process for developing products that intertwines norms from both fields)**

The essence of the industrial subspecies of the object of art does not lie in serial production, but the application of a productive and project approach to the phenomenology of art itself (CA21, 1989).

**(Mediator between different fields)**

[Alessi's] way of conceiving the product and to divulge it corresponds to a humanist culture of [...] integrating industrial and artisanal techniques, and connecting [...] the world of art through the intermediation of industrialization (CA29, 1989)

**(new process for developing products that intertwines norms from both fields)**

We have devised a unique system to harness the talent of the world's most interesting designers, and encouraging them to make use of and stretch our technical expertise. We want them to push our knowledge to the extreme (A. Alessi quoted in Sweet, 1998).

**(Mediator between different fields; dream factory)**

We have the view that [...] design is a global creative discipline with a strictly artistic and poetic mainspring [...] that informs all our activities and it is geared –at least in its intentions- to the realization of people dreams, to the utopia of making things that really do people good and help them to be a little happier (CA24, 1994).

---

\*For space constrains, only one piece of evidence is reported for each first-order category. More are available from authors upon request.

**TABLE 6**

**Exploration of Resources from the New Field: Selected Evidence for Phase-specific Content of First-order Categories\***

First-order category	Phase-specific content and selected evidence		
	Phase 1 (1972-1978)	Phase 2 (1979-1989)	Phase 3 (1990-2006)
Use of different types of artists as product designers	<p><b>(<i>graphic designers and architects</i>)</b></p> <p>Since the mid-1970s, I was extraordinary lucky to work with some authors who were doomed to have a great influence on Alessi's overall practice: the architects and designers whom I was working with, in particular Sottsass, Sapper, Castiglioni and Mendini, who became for me as real maestros, and that characterized Alessi in this decade [1970s] (CA35, 2008).</p>	<p><b>(<i>architects and urbanist architects</i>)</b></p> <p>[The urbanist architect] has little expertise in the functional objects, no familiarity with techniques and methodologies for the serial production, and he/she is naif about marketing problems. Nonetheless, by reducing the dimension of his/her project without changing its linguistic elements, he/she is able to transfer on the object the same figurative and expressive power of his/her architectures (1983 quoted in CA30, 1985).</p>	<p><b>(<i>architects, urbanists and young designers</i>)</b></p> <p>One hundred designers have been selected worldwide. They represent different areas of creativities: architects, designers, graphic designers, artists, fashion designers and other creative people belonging to alternative cultures (CA20, 1992)</p>
Advisory from specialists in other fields	<p><b>(<i>architects as external consultant for marketing issues and collaboration with artists</i>)</b></p> <p>Alberto's idea of trying to make chiseled objects with a contemporary language instead of simply reproducing classical silverware objects was manifested to Sargiani. Sargiani recommended these kinds of folks [Confalonieri, etc...], saying: "Well, if that is the problem, probably right now in Italy these are the individuals who can do that." In the same way, when Alberto was looking for some truly innovative table items Sargiani advised him to go to Sottsass (ID19).</p>	<p><b>(<i>architects as cultural consultants</i>)</b></p> <p>In 1979, Alessandro Mendini became [officially] consultant for Alessi, and he proposed to recover the experimental effort of Alessi d'Après by proposing to begin other research-oriented projects (CA30, 1985).</p>	<p><b>(<i>Use of architects as cultural consultants</i>)</b></p> <p>Our working method [between Alessi and architects] is very simple: a continuous sequence, albeit not very frequent, of conversations, reasoning and general ideas, that gradually focused themselves in projects, contacts, objects and exhibitions (Mendini 1993, Gabra-Liddell, 1998, 34)</p> <p><b>(<i>Use of social scientists as source of inspiration</i>)</b></p> <p>We began a series of meetings with Paolo Fabbri (semiologists and lecturer in the</p>



**Spillover  
from the  
new field  
into the old**

*(search of)*

Alessi uses [...] a method [...] through which we attempt to get in touch with a broader set of designers and to stimulate them on different routes, through experimentation. [...] Project Solferino has been an application of it [from a large pool of French historians and designers Alessi scouted Philippe Starck] (CA30, 1989).

Theory of Forms at DAMS in Bologna), Lucetta Scaraffia (researchers at the Institute of Modern History in Rome) and Massimo Alvito (researcher at l'Ecole des Haute Etudes in Paris) to discuss a number of themes related to the birth, identity and role of objects (CA26, 1991).

*(search of)*

[TCP] was like a talent-scouting project, he met two new designers and after that they started to design industrial project or this area. The same now [T&CT]. Toio Ito designed one of the Tea and Coffee Tower set. Then he designed this cup, but then he designed this tableware collection. He brought the paradoxical to the industrial limit (ID5).

---

\* For space constrains, only one piece of evidence is reported for each first-order category. More are available from authors upon request.

**TABLE 7**

**Experimentation with Field-Spanning Practices: Selected Evidence for Phase-specific Content of First-order Categories\***

First-order category	Phase-specific content and selected evidence		
	Phase 1 (1972-1978)	Phase 2 (1979-1989)	Phase 3 (1990-2006)
<b>Translation of artistic language</b>	<p><i>(as main activity)</i>                      At the beginning [early 1970s], [...] Alessi was not prepared to work with designers. It was not prepared to make series of prototypes and at the same time it was always perplexed of the prototypes I [Sottsass] could do. [...] there was a big waste of time (CA30, 1985).</p>	<p><i>(as the only activity)</i>                      I feel like saying that in proportion, since we became a design firm, production has had much fewer hires than that office over there [technical office], which has had to expand very much, precisely in virtue of the fact of being the translating, interpreting heart of the company (ID16).</p>	
<b>New communication tools</b>	<p><i>(editing a magazine)</i>                      Faced with the impossibility to enter "Ottagono" [a design and architecture magazine founded by Italian firms in the furniture industry], these other firms decided to try to have a similar experience [...]. These firms were Kartell, Alessi, Flos, etc., and their idea was to facilitate the birth of a magazine [...] that was functional for their communication (ID19).</p>	<p><i>(displays)</i>                      Since lately I tend to privilege the poetic aspects of design, I have asked Alessandro Mendini to provide a symbolic interpretation by means of a permanent artistic installation [...] placed along the wall of the second floor of the Officina Alessi showroom in Milan. This act serves to emphasize the uneasiness we feel vis-à-vis a reading of design too rigidly professional, specialized and commercial (in other words the role that big industry tends more and more to force upon design) (CA28, 1988).  <i>(catalogue)</i> This is my interpretation: since all the projects always take off from a strong cultural foundation – which does not mean they are not strategic and they don't have a commercial outcome – still, there is a lot of reasoning done about the meta-projects and then the projects. So, Alberto always tries to find some commercial instruments that are somehow hybrid (ID15).</p>	<p><i>(sales meeting)</i>                      Twice a year, Alberto hold meeting with the Italian and international sales force. There, Alberto explains with audio-visual material everything about the reasons why new materials, new objects have been introduced. He provided a lot of details. Before these meetings became established, everything was left to our sensitivity, to our ability to communicate the company's input. Through these official presentations, information passed directly from the source to those who must use the news. This is very important [...]. For example, we had 20 new products to present, 15 were designed by Mendini, for example, and he [Alberto] invited Mendini to say something about the objects. (ID22).  <i>(flag-ship store)</i>                      I asked Atelier Mendini to develop a blueprint for an ideal Alessi store. The fundamental concept was to handle Alessi's objects as if they were fairy-tale characters, each with its own story and traits, and a desire to transmit joy and aesthetic energy [...] These display locations have been devised to summarize the characters produced by the 'dream factory' and to transmit the customer a sense of</p>

First-order category	Phase-specific content and selected evidence		
	Phase 1 (1972-1978)	Phase 2 (1979-1989)	Phase 3 (1990-2006)
<b>Experimental research transgressing norms of the old field</b>		One of the ways of developing new objects in Alessi is [...] random, thorough which we attempt to have contacts with a multitude of designers and to stimulate them in different ways through experimentation (CA25, 1989)	adventure in design and the homescape (CA13, 2003).  [the initiative 100%Make Up] is a typical operation of research, for exploring new possibilities and new project worlds. It's true, out of each of the one hundred projects only one hundred pieces of the products will be produced, but our intention is to give the market the possibility of successively bringing back into production those projects which it has judged as being interesting and which show that they lend themselves to a normal mass production (CA08, 1992).
<b>Freedom to designers</b>		Linguistic research is free (...) for architects it was a unique occasion of experimentation, one of those rare opportunities offered by firms to work free from any constraint (CA30, 1985).	In Alessi, projects come out in two ways. First, the marketing department elaborates market demands and provides a written documents which designers must respect. Second, we can accept the proposal of architects who had already worked with us. Which method is the best? Often the latter (Markup, 2000).
<b>Publishing of initiatives-related books</b>		Books are born every time that behind a project there is a history that we think is important or useful for our agents, retailers, or for our most selected public, in order to know about what we are doing and to know the stories that we do not manage to tell them through our regular instruments of communication such as catalogues, brochures and so forth. Every time this happens (a new product-related project), we suddenly feel like making a book. As long as we will still have this bookish culture of people that [...] are used to studying from books (ID19).	Alessi holds a tradition of documenting and publishing its work; in catalogues, press, books and picture book; books that always begin with an history of the company, its founding and its work (Michael Graves, quoted in Gabra-Liddell, 1998, 65).
<b>Interdisciplinary workshop</b>		In this seminar [Food and Rituals], thanks to the collaboration of Francois Burkhardt and of IDZ, we provide a research not directly aimed at producing objects but rather elaborate theoretical contributions on this theme: food, its rituals, and tools (1982, CA4).	There are different ways of defining and tackling a workshop. In relation to the initial metaproject, a method is decided, the designers are chosen, a deadline is set for the operation and responsibility assigned to the team conducting it. In some workshops, the project is entrusted to the designers,

First-order category	Phase-specific content and selected evidence		
	Phase 1 (1972-1978)	Phase 2 (1979-1989)	Phase 3 (1990-2006)
Success Formula for evaluating new objects			<p>while C.S.A. and the company team direct and ultimately select the work. In other workshops, design responsibility is shared between C.S.A. and designers. In others, still, stimulates an experimental method, through brief and intense teamwork, called special workshop (CA27, 1993).</p> <p>In a bid to understand the fiascos and the best sellers, Alberto Alessi has devised a highly individual 'Formula for Success'. This identifies the components that trigger our reactions to objects.[...] The first was the notion of 'sensoriality/memory/ and imagination' or SMI. [...]. This is all about [...] -is it pleasing the senses, does it spark the imagination, does it stir emotions?' [...]. So, Alberto devised a category based on the idea of communication and language. This examines how we use objects as a form of expression. [...]The terms help to explain the appeal of designs and the reasons for taking them into production. The system even helps in selecting appropriate designers (Sweet, 1998, p. 4-5)."</p>

\* For space constrains, only one piece of evidence is reported for each first-order category. More are available from authors upon request.

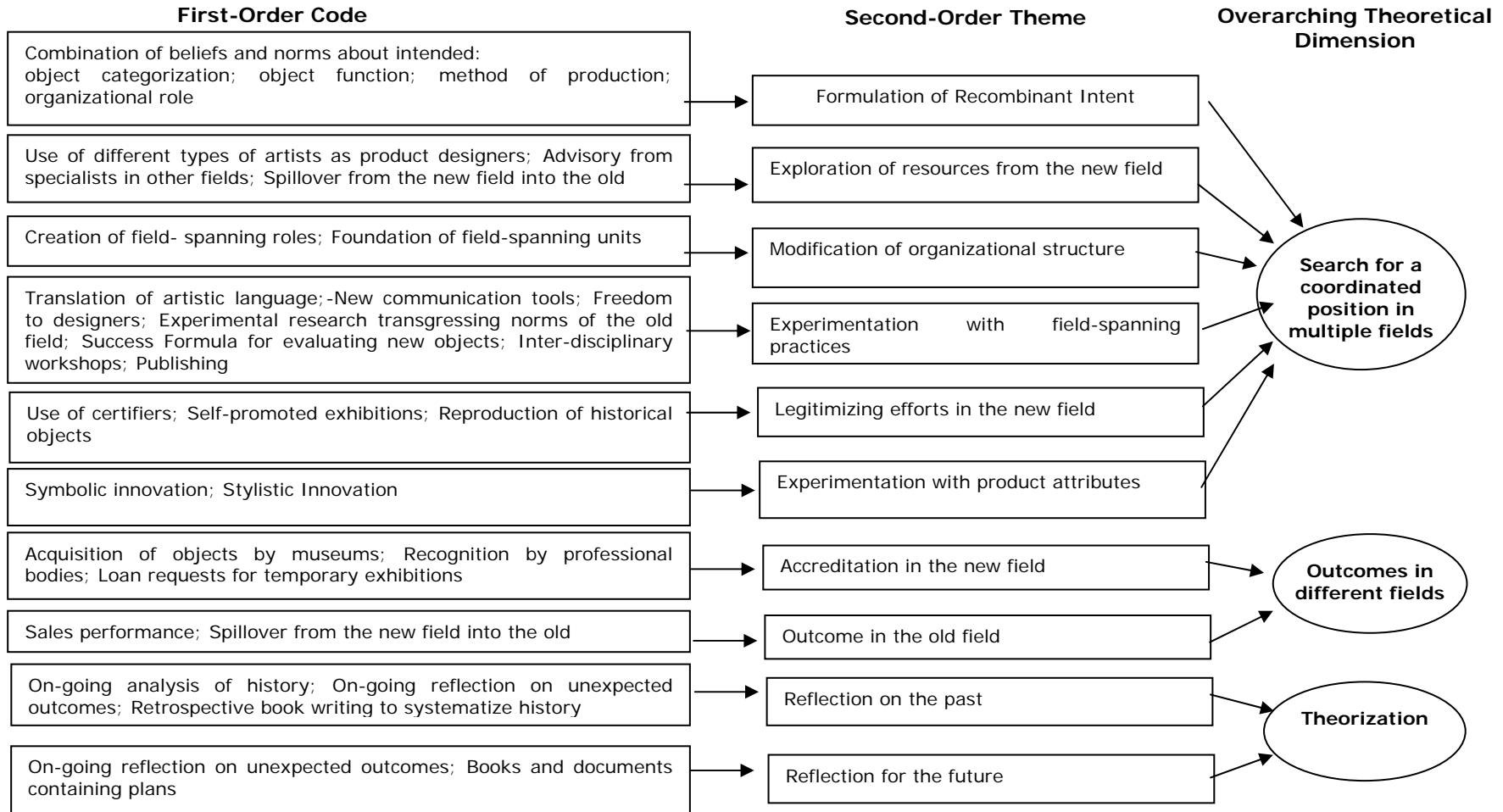
**TABLE 8**

**Experimentation with Product Attributes: Selected Evidence for Phase-specific Content of First-order Categories\***

First-order cat.	Phase-specific content and selected evidence		
	Phase 1 (1972-1978)	Phase 2 (1979-1989)	Phase 3 (1990-2006)
<b>Stylistic innovation</b>	<p><i>(Style enhanced but functionality preserved)</i>                      [5070 oil cruet designed by Sottsass in the late 1970s] is probably one of the best projects developed by us in the last twenty years [...]. The reason [...] lies in its very pleasant form, good functional design, and justified price-although high (CA16, 1998).</p>	<p><i>(Style enhanced but functionality preserved)</i>                      Whereas the objective for the Tea and Coffee Piazza had been to showcase design and invention in an aesthetic sense, the priority of the teakettle [designed by Graves in 1985] was to solve pragmatic design issues, and then to produce an attractive and interesting object (Michael Graves, Gabra-Liddell, 1998, 65)</p>	
<b>Symbolic Innovation</b>		<p><i>(Reflection)</i>                      At first our attention focused on the rituals that accompany the use of the <i>caffettiera</i>. There is a close bond between the value of an object and the necessary 'aura' of animation that surrounds it, which requires research in turn. [...] For me [Dalisi] animation [...] is now a process of detachment from all cultural models currently in circulation (CA44, 1987).</p> <p><i>(Aesthetic enjoyment)</i>                      For Rossi [urbanistic architect who designed objects in the 1980s] the coffee maker perfectly symbolizes the dialectic relation between architecture (better still, town planning) and the household landscape into which this monument fits (CA13, 2003).</p> <p><i>(Display)</i>                      As a designer editor whose job is to peer voyeuristically inside other people's homes, one of the most constant icons for two decades in the design conscious kitchen has been the Alessi kettle. It makes a statement about the owner; here is someone who values beautiful, functional things (Nonie Niese wand, quoted in Gabra-Liddell, 1998, 85-86).</p>	<p><i>(Reflection)</i>                      In 1999, I [Stefano Giovannoni-designer] created the Mami pot sets. I did not try to design a new shape. I rather try to recover the pot that everybody carries in his own imaginary and memory. Mami is the [...] pot archetype, as Heidegger would say: it comes from the research of those features that in our mind correspond to the idea of pot (CA43, 2007).</p> <p><i>(Aesthetic enjoyment)</i>                      It is undoubtedly through the circulation of an autonomous, strong and incisive image that the purely functional use of the Alessi object is translated and taken up to the level of a wholly symbolic value (Zanfi, 2002, 17)</p> <p><i>(Emotive involvement)</i>                      [...] objects as the Juicy Salif lemon squeezer [1990] and the Mr. Meu Meu cheese grater [1992], it seems clear to me that beauty is the wrong word to describe them and that a more appropriate one should be looked for in the zone of Perturbation-Uneasiness-Fear (CA9, 1993).</p>

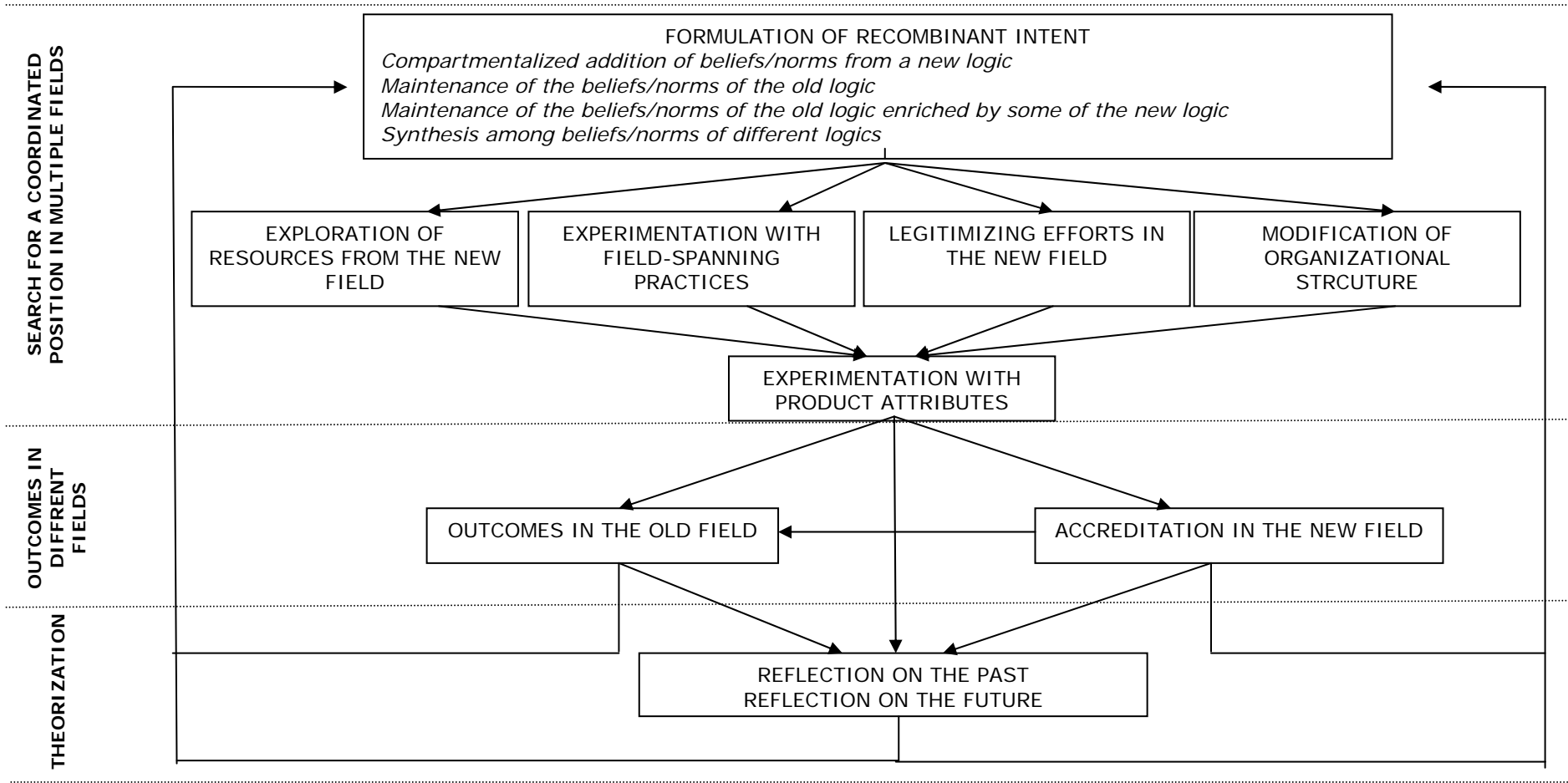
\* For space constraints, only one piece of evidence is reported for each first-order category. More are available from authors upon request.

**FIGURE 1**  
**Data Structure**



**FIGURE 2**

**A Grounded Model of Institutional Change Through the Recombination of Logics from Different Fields**







## BIBLIOGRAPHY

Adler, P. S., & Kwon, S.-W. 2002. Social capital: prospects for a new concept. *Academy of Management Review*, 27(1): 17-40.

Agarwal, R., Ganco, M., & Ziedonis, R. H. 2009. Reputations for toughness in patent enforcement: implications for knowledge spillovers via inventor mobility. *Strategic Management Journal*, 30(13): 1349-1374.

Agarwal, R., & Helfat, C. E. 2009. Strategic Renewal of Organizations. *Organization Science*, 20(2): 281-293.

Almeida, P. 1996. Knowledge sourcing by foreign multinationals: patent citation analysis in the US semiconductor industry. *Strategic Management Journal*, 17: 155-165.

Alvesson, M., & Robertson, M. 2006. The Best and the Brightest: The Construction, Significance and Effects of Elite Identities in Consulting Firms. *Organization*, 13(2): 195-224.

Aronoff, J. 2006. How we recognize angry and happy emotion in people, places and things. *Cross-Cultural Research*, 40: 83-105.

Baker, T., & Nelson, R. E. 2005. Creating something from nothing: Resource construction through entrepreneurial bricolage. *Administrative Science Quarterly*, 50(3): 329-366.

Baldwin, C. Y., & Clark, K. B. 2000. *Design Rules*. Cambridge, MA: MIT Press.

Barnett, M. L., Jermier, J. M., & Lafferty, B. A. 2006. Corporate reputation: The definitional landscape. *Corporate Reputation Review*, 9(1): 26-38.

Barney, J. 1991. Firm Resources and Sustained Competitive Advantage. *Journal of Management*, 17(1): 99.

- Barney, J. B., & Arikan, A. M. (Eds.). 2001. *The Resource-based View: Origins and Implications*. Oxford, UK: Blackwell
- Bartel, C. A., & Garud, R. 2009. The Role of Narratives in Sustaining Organizational Innovation. *Organization Science*, 20(1): 107-117.
- Becker, H. S. 1978. Arts and crafts. *The American Journal of Sociology*, 83(4): 862-889.
- Becker, H. S. 1982. *Art Worlds*. Berkely: University of California Press.
- Belk, R. W. 1988. Possessions and the Extended Self. *Journal of Consumer Research*, 15(2): 139-168.
- Benford, R. D., & Snow, D. A. 2000. Framing Processes and Social Movements: An Overview and Assessment. *Annual Review of Sociology*, 26: 611-639.
- Berezin, M. 1997. Politics and Culture: A Less Fissured Terrain. *Annual Review of Sociology*, 23: 361-383.
- Berger, P. L., & Luckman, T. 1966. *The Social Construction of Reality: A Treatise in the Sociology of Knowledge* New York: Anchor Books.
- Bhide, A. 1994. Efficient Markets, Deficient Governance. *Harvard Business Review*, 72(6): 128-139.
- Birkinshaw, J., Hamel, G., & Mol, M. J. 2008. Management innovation. *Academy of Management Review*, 33(4): 825-845.
- Bloch, P. H. 1995. Seeking the ideal form: Product design and consumer response. *Journal of Marketing*, 59(3): 16.
- Bourdieu, P. 1984. *Distinction: A Social Critique of the Judgement of Taste B2 - Distinction: A Social Critique of the Judgement of Taste* London: Routledge & Kegan Paul.

Bourdieu, P. 1986/1993. The Production of Belief: Contribution to an Economy of Symbolic Goods. In R. Johnson (Ed.), *The Field of Cultural Production*: 74-111: Columbia University Press.

Breward, C. 2003. *Fashion*. Oxford: Oxford University Press.

Brown, J. S., & Duguid, P. 1991. Organizational learning and communities of practice: Toward a unified view of working, learning, and innovating *Organization Science*, 2(1): 40-57.

Brown, P. L. 1988. When big-name talents tackle trifles, *The New York Times*. New York City.

Brown, S. L., & Eisenhardt, K. M. 1995. Product development: Past research, present findings, and future directions, *Academy of Management Review*, Vol. 20: 343-378.

Brusoni, S., & Prencipe, A. 2006. Making Design Rules: A Multidomain Perspective. *Organization Science*, 17(2): 179-189.

Calavita, K. 2001. Blue Jeans, Rape, and the "De-Constitutive" Power of Law. *Law & Society Review*, 35(1): 89-116.

Capaldo, A. 2007. Network structure and innovation: The leveraging of a dual network as a distinctive relational capability. *Strategic Management Journal*, 28(6): 585-608.

Cappetta, R., & Cillo, P. 2008. Managing integrators where integration matters: insights from symbolic industries. *International Journal of Human Resource Management*, 19(12): 2235-2251.

Cappetta, R., Cillo, P., & Ponti, A. 2006. Convergent designs in fine fashion: An evolutionary model for stylistic innovation. *Research Policy*, 35(9): 1273-1290.

Cappetta, R., & Gioia, D. A. 2006. Fine Fashion: Using Symbolic Artifacts, Sensemaking, and Sensegiving to Construct Identity and Image. In A. Rafaeli, & M. G. Pratt (Eds.), *Artifacts and Organizations*: 199-222. Mahawah, NJ: LawrenceErlbaum.

Carney, T. 1972. ***Content Analysis: A Technique For Systematic Inference From Communications***. Winnipied, Canada: University of Manitoba Press.

Casciani, S. 1996. ***The Art Factory***. Milan: Editrice Abitare Segesta.

Caves, R. E. 2003. Contracts Between Art and Commerce. ***Journal of Economic Perspectives***, 17(2): 73.

Cerulo, K. A. 1997. Identity Construction: New Issues, New Directions. ***Annual Review of Sociology***, 23: 385-409.

Christensen, C. 1997. Patterns in the evolution of product competition. ***European Management Journal***, 15(2): 117.

Christensen, J. F. 1995. Asset profiles for technological innovation. ***Research Policy***, 24: 727-745.

Cillo, P., & Verona, G. 2008. Search Styles in Style Searching: Exploring Innovation Strategies in Fashion Firms. ***Long Range Planning***, 41(6): 650-671.

Clegg, S. 1981. Organization and control. ***Administrative Science Quarterly***, 26(4): 545-562.

Cohen, W. M., & Levinthal, D. A. 1990. Absorptive Capacity: A New Perspective on Learning and Innovation. ***Administrative Science Quarterly***, 35(1): 128-152.

Coleman, J. S. 1988. Social capital in the creation of human capital. ***American Journal of Sociology***, 94: S95-S120.

Colyvas, J. A., & Powell, W. W. 2006. Roads to institutionalization: The remaking of boundaries between public and private science. ***Research in Organizational Behavior: An Annual Series of Analytical Essays and Criticl Reviews***, 27: 305-353.

Corley, K. G., & Gioia, D. A. 2004. Identity ambiguity and change in the wake of a corporate spin-off. *Administrative Science Quarterly*, 49(2): 173-208.

Crane, D. 1999. Reward systems in avant-garde art: Social networks and stylistic change. In A. W. Foster, & J. R. Blau (Eds.), *Readings In The Sociology Of The Arts*. Boulder, CO: NetLibrary Inc.

Crane, D., & Bovone, L. 2006. Approaches to material culture: The sociology of fashion and clothing. *Poetics*, 34(319-333).

Czarniawska, B., & Joerges, B. 1996. Travel of ideas. In B. Czarniawska, & G. Sevàn (Eds.), *Translating organizational change*: 13-48. Berlin: de Gruyter.

D'Aunno, T., Sutton, R. I., & Price, R. H. 1991. Isomorphism and external support in conflicting insitutional environments: a study of drug abuse treatment units. *Academy of Management Journal*, 34(3): 636-661.

Dacin, M. T., Goodstein, J., & Scott, W. R. 2002. Institutional theory and institutional change: Introduction to the special research forum *Academy of Management Journal*, 45(1): 45-56.

Dalpiaz, E. 2010. *Recombination of logics in organizations: An exploratory study of strategic renewal and institutional change (Essay 3)*. Bocconi, Milan.

De Carolis, D. M. 2003. Competencies and Imitability in the Pharmaceutical Industry: An Analysis of Their Relationship with Firm Performance. *Journal of Management*, 29(1): 27-50.

De Fusco, R. 2002. *Storia del Design Italiano*. Roma: Editori Laterza.

Deephouse, D. L. 2000. Media reputation as strategic resources: An integration of mass communication and resource-based theories. *Journal of Management*, 26(6): 1091-1113.

Dell'Era, C., Marchesi, A., & Verganti, R. 2008. Linguistic network configurations: management of innovation in design-intensive firms. ***International Journal of Innovation Management***, 12(1): 1-19.

Dell'Era, C., & Verganti, R. 2009. The impact of international designers on firm innovation capability and consumer interest. ***International Journal of Operations & Production Management***, 29(9): 870-893.

Déniz-Déniz, M. d. I. C., & Saá-Pérez, P. D. 2003. A Resource-based View of Corporate Responsiveness toward Employees. ***Organization Studies (01708406)***, 24(2): 299.

DiMaggio, P. 1997. Culture and cognition. ***Annual Review of Sociology***, 23(1): 263.

DiMaggio, P., & Powell, W. W. 1983. The iron cage revisited: Institutional isomorphism and collective rationality in organizational fields. ***American Sociological Review*** 48: 147-160.

Djelic, M.-L., & Ainamo, A. 2005. The Telecom Industry as Cultural Industry? The Transposition of Fashion Logics into the Field of Mobile Telephony. In C. Jones, & P. Thornton (Eds.), ***Transformation in Cultural Industries***: 46-80. Amsterdam Elsevier

Douglas, M., & Isherwood, B. 1979/1996. ***The World of Goods. Toward an Anthropology of Consumption***. New York: Routledge.

Durand, R., Rao, H., & Monin, P. 2007. Code and conduct in French cuisine: Impact of code changes on external evaluations. ***Strategic Management Journal***, 28(5): 455-472.

Dushnitsky, G., & Shaver, J. M. 2009. Limitations to interorganizational knowledge acquisition: the paradox of corporate venture capital. ***Strategic Management Journal***, 30(10): 1045-1064.

Eikhof, D. R., & Haunschild, A. 2007. For art's sake! Artistic and economic logics in creative production. ***Journal of Organizational Behavior***, 28(5): 523-538.

Eisenhardt, K. M. 1989. Building Theories from Case Study Research. *Academy of Management Review*, 14(4): 532-550.

Eisenhardt, K. M., & Graebner, M. E. 2007. Theory building from cases: Opportunities and challenges. *Academy of Management Journal*, 50(1): 25-32.

Eisenman, M. 2007. *Cultivating taste: constructing the importance of product aesthetics in technological industries*. Paper presented at the Academy of Management Proceedings.

Ewenstein, B., & Whyte, J. 2007. Beyond Words: Aesthetic Knowledge and Knowing in Organizations. *Organization Studies (01708406)*, 28(5): 689-708.

Fabbri, P., & Careri, G. 1994. Una Dinastia di Oggetti: Alessi. In I. I. d. Cultura (Ed.): 1-95. Paris: Carte Segrete.

Fariello, A. M. 2004. "Reading" the Language of Objects. In A. M. Fariello, & P. Owen (Eds.), *Objects & Meanings*: 148-173. Lanham: Scarecrow Press.

Fine, G. A. 1992. The Culture of Production: Aesthetic Choices and Constraints in Culinary Work. *American Journal of Sociology*, 97(5): 1268-1294.

Fiol, C. M. 1991. Managing Culture as a Competitive Resource: An Identity-Based View of Sustainable Competitive Advantage. *Journal of Management*, 17(1): 191.

Fleming, P., & Spicer, A. 2005. How Objects Believe for Us: Applications in Organizational Analysis. *Culture & Organization*, 11(3): 181-193.

Fombrun, C., & Shanley, M. 1990. What's in a name? Reputation building and corporate strategy *Academy of Management Journal*, 33(2): 233-258.

Fornari, F. 1979. *Coinema e Icona*. Milano: Il Saggiatore

Freitas, A., David, C. H., & Kim, J. W. 1997. Appearance management as border construction: least favourite clothing, group distancing and identity...not! *Sociological Inquiry*, 67(3): 323-335.

Friedland, R., & Alford, R. R. 1991. Bringing society back in: symbols, practices, and institutional contradictions. In W. W. Powell, & P. J. DiMaggio (Eds.), *The New Institutionalism In Organizational Analysis*: 232-266. Chicago, IL: University of Chicago Press.

Gabra-Liddell, M. (Ed.). 1998. *Alessi. The Design Factory* (Second ed.). London: Wiley-Academy.

Gaut, B. 2007. *Art, Emotion and Ethics*. Oxford: Oxford University Press.

Geertz, C. 1973. *The Interpretation of Culture*. New York: Basic Books.

Ghoshal, S., Korine, H., & Szulanski, G. 1994. Interunit Communication in Multinational Corporations. *Management Science*, 40(1): 96-110.

Gioia, D. A., Schultz, M., & Corley, K. G. 2000. Organizational identity, image, and adaptive instability. *Academy of Management Review*, 25(1): 63-81.

Glanville, J. L., & Bienenstock, E. J. 2009. A Typology for Understanding the Connections among different types of social capitals. *American Behavioral Scientist*, 52(11): 1507 - 1530.

Glaser, B. G., & Strauss, A. L. 1967. *The Discovery of Grounded Theory: Strategies for Qualitative Research* Hawthorne, NY: Aldine De Gruyter.

Glynn, M. A. 2000. When cymbals become symbols: Conflict over organizational identity within a symphony orchestra. *Organization Science*, 11(3): 285-298.

Glynn, M. A., & Lounsbury, M. 2005. From the critics' corner: logic blending, discursive change and authenticity in a cultural production system. *Journal of Management Studies*, 42(5): 1031-1055.



Goffman, L. 1959. *The Presentation of Self in Everyday Life*. New York: Anchor Books.

Goodnow, J. J. 1978. Visible Thinking: Cognitive Aspects of Change in Drawings. *Child Development*, 49(3): 637-641.

Grant, R. M. 1996. Prospering in Dynamically-competitive Environments: Organizational Capability as Knowledge Integration. *Organization Science*, 7(4): 375-387.

Greenwood, R., & Hinings, C. R. 1993. Understanding strategic change: The construction of archetypes. *Academy of Management Journal*, 36(5): 1052-1081.

Greenwood, R., Hinings, C. R., & Suddaby, R. 2002. Theorizing change: The role of professional associations in the transformation of insitutionalized fields. *Academy of Management Journal*, 45(1): 58-80.

Greenwood, R., & Suddaby, R. 2006. Institutional entrepreneurship in mature fields: the big five accounting firms. *Academy of Management Journal*, 49(1): 27-48.

Gronow, J. 1997. *The sociology of taste*. London, UK: Routledge.

Hall, R. 1992. The stratgeic analysis of intangible assets. *Strategic Management Journal*, 13(2): 135-144.

Hargadon, A., & Fanelli, A. 2002. Action and Possibility: Reconciling Dual Perspectives of Knowledge in Organizations. *Organization Science*, 13(3): 290-302.

Hargadon, A., & Sutton, R. I. 1997. Technology Brokering and Innovation in a Product Development Firm. *Administrative Science Quarterly*, 42(4): 716-749.

Hatch, M. J., & Rubin, J. 2006. The hermeneutics of branding. *Journal of Brand Management*, 14(1/2): 40-59.

Hatch, N. W., & Dyer, J. H. 2004. Human capital and learning as a source of sustainable competitive advantage. *Strategic Management Journal*, 25(12): 1155-1178.

Helfat, C. E., & Raubitschek, R. S. 2000. Product sequencing: co-evolution of knowledge, capabilities and products. *Strategic Management Journal*, 21(10/11): 961.

Henderson, R. M., & Clark, K. B. 1990. Architectural Innovation: The Reconfiguration of Existing Product Technologies and the Failure of Established Firms. *Administrative Science Quarterly*, 35(1): 9-30.

Heugens, P. P. M. A. R., & Lander, M. W. 2009. Structure!Agency! (And other quarrels): a meta analysis of institutional theories of organization. *Academy of Management Journal*, 52(1): 61-85.

Hirsch, P. M. 1972. Processing Fads and Fashions: An Organization-Set Analysis of Cultural Industry Systems. *The American Journal of Sociology*, 77(4): 639-659.

Holbrook, M., & Addis, M. 2008. Art versus commerce in the movie industry: a Two-Path Model of Motion-Picture Success. *Journal of Cultural Economics*, 32(2): 87-107.

Holbrook, M. B., & Hirschman, E. C. 1982. The Experiential Aspects of Consumption: Consumer Fantasies, Feelings, and Fun. *Journal of Consumer Research*, 9(2): 132-140.

Holt, D. B. 1995. Inside culture: art and class in the American home *Journal of Marketing Research* 32(4): 487-494.

Jensen, M., & Roy, A. 2009. Staging exchange partner choices: when do status and reputation matter? *Academy of Management Journal*, 51(3): 495-516.

Johnson, R. (Ed.). 1993. *Bourdieu, Pierre. The Field of Cultural Production*. London: Polity Press/Columbia University Press.

Jones, C., & Thornton, P. H. (Eds.). 2005. *Transformation in Cultural Industries*. Oxford, UK: Elsevier.

Keiser, S. B., Nagasawa, R. H., & Hutton, S. S. 1991. Fashion, postmodernity, and personal appearance: a symbolic interactionist formulation. *Symbolic Interaction*, 14(2): 165-185.

Keller, K. L., & Lehmann, D. R. 2006. Brands and Branding: Research Findings and Future Priorities. *Marketing Science*, 25(6): 740-759.

Kennedy, M. T. 2005. Behind the one-way mirror: Refraction in the construction of product market categories. *Poetics*, 33(3-4): 201-226.

Kim, D.-j., & Kogut, B. 1996. Technological platforms and diversification. *Organization Science*, 7(3): 283-301.

King, B. G., & Whetten, D. A. 2008. Rethinking the Relationship Between Reputation and Legitimacy: A Social Actor Conceptualization. *Corporate Reputation Review*, 11(3): 192-207.

Klepper, S., & Sleeper, S. 2005. Entry by Spinoffs. *Management Science*, 51(8): 1291-1306.

Knight, F. H. 1921. *Risk, Uncertainty, and Profit*. Boston, MA: Houghton Mifflin Co.

Kogut, B., & Zander, U. 1992. Knowledge of the firm, combinative capabilities, and the replication of technology. *Organization Science*, 3(3): 383-397.

Kraatz, M. S., & Block, E. S. 2008. Organizational Implications of Institutional Pluralism. In R. Greenwood, C. Oliver, K. Sahlin, & R. Suddaby (Eds.), *The SAGE Handbook of Organizational Institutionalism*. London: Sage

Kraatz, M. S., & Moore, J. H. 2002. Executive migration and institutional change *Academy of Management Journal*, 45(1): 120-143.

Lamont, M., & Molnar, V. 2002. The Study of Boundaries in the Social Sciences. *Annual Review of Sociology*, 28: 167-195.

Lamont, M., & Thévenot, L. 2000. *Rethinking Comparative Cultural Sociology: Repertoires of Evaluation in France and the United States* Cambridge, UK: Cambridge University Press.

Lampel, J. 2001. Show and tell: Product demonstrations and path creation of technological change. In R. Garud, & P. Karnoe (Eds.), *Path Dependence and Creation*. Mahwah, NJ: Laurence Erlbaum

Lampel, J., Lant, T., & Shamsie, J. 2000. Balancing Act: Learning from Organizing Practices in Cultural Industries. *Organization Science*, 11(3): 263-269.

Larson, C. L., Aronoff, J., & Stearns, J. J. 2007. The shape of threat: simple geometric forms evoke rapid and sustained capture of attention. *Emotion*, 7(3): 526-534.

Lepak, D. P., Smith, K. G., & Taylor, M. S. 2007. Value creation and value capture: a multi-level perspective. *Academy of Management Review*, 32(1): 180-194.

Lester, R. K., & Priore, M., J. 2004. *Innovation: The missing dimension*. Cambridge, MA Harvard University Press.

Levitt, B., & March, J. 1988. Organizational Learning. *Annual Review of Sociology*, 14(319-40).

Lin, N. 2001. *Social Capital*. Cambridge, UK: Cambridge University Press.

Lippman, S. A., & Rumelt, R. P. 2003. A bargaining perspective on resource advantage *Strategic Management Journal*, 24(11): 1069-1086.

Locke, K. 2001. *Grounded Theory In Management Research*. Thousand Oaks, CA: Sage.

Lojacono, G., & Zaccai, G. 2004. The Evolution of the Design-Inspired Enterprise. *MIT Sloan Management Review*, 45(3): 75-79.

Lounsbury, M. 2002. Institutional transformation and status mobility: The professionalization of the field of finance. *Academy of Management Journal*, 45(1): 255-266.

Lounsbury, M. 2007. A tale of two cities: Competing logics and practice variation in the professionalization of mutual funds. *Academy of Management Journal*, 50(2): 289-307.

Lounsbury, M., & Rao, H. 2004. Sources of durability and change in market classifications: A study of the reconstitution of product categories in the American mutual fund industry, 1944-1985. *Social Forces*, 82(3): 969-999.

Madsen, T. L., Mosakowski, E., & Zaheer, S. 2003. Knowledge Retention and Personnel Mobility: The Nondisruptive Effects of Inflows of Experience. *Organization Science*, 14(2): 173-191.

Maguire, S., Hardy, C., & Lawrence, T. B. 2004. Institutional entrepreneurship in emerging fields: HIV/AIDS treatment advocacy in Canada. *Academy of Management Journal*, 47(5): 657-679.

Maitlis, S., & Lawrence, T. B. 2007. Triggers and enablers of sensegiving in organizations. *Academy of Management Journal*, 50(1): 57-84.

Makadok, R., & Coff, R. 2002. The theory of value and the value of theory: breaking new ground versus reinventing the wheel. *Academy of Management Review*(27): 10-13.

March, J. G. 1991. Exploration and exploitation in organizational learning *Organization Science*, 2(1): 71-87.

Margolis, J. D., & Walsh, J. P. 2003. Misery Loves Companies: Rethinking Social Initiatives by Business. *Administrative Science Quarterly*, 48(2): 268-305.

Martin, N. D. 2009. Social capital, academic achievement, and postgraduation plans at an elite, private university *Sociological Perspectives*, 52(2): 185-210.

Mazza, C., Sahlin-Andersson, K., & Pedersen, J. S. 2005. European Constructions of an American Model: Developments of Four MBA Programmes. *Management Learning*, 36(4): 471-491.

McCracken, G. 1988. *Culture and Consumption*. Bloomington: Indiana University Press.

McEvily, S. K., & Chakravarthy, B. 2002. The Persistence of Knowledge-Based Advantage: An Empirical Test for Product Performance and Technological Knowledge. *Strategic Management Journal*, 23(4): 285.

Mendini, A. 2003. *Tea & Coffee Towers*. Milano: Electa/Alessi.

Meyer, J., & Rowan, B. 1977. Institutional organizations: Formal structure as myth and ceremony. *The American Journal of Sociology* 83: 340 - 363.

Michlewski, K. 2008. Uncovering Design Attitude: Inside the Culture of Designers. *Organization Studies*, 29(3): 373-392.

Misangyi, V. F., Weaver, G. R., & Elms, H. 2008. Ending corruption: the interplay among insitutional logics, resources, and institutional entrepreneurs. . *Academy of Management Review*, 33(3): 750-770.

Mono, R. 1997. *Design for product understanding: the aesthetics of design from a semiotic approach*. Stockholm: Liber.

Moon, Y., Dessain, V., & Sjoman, A. 2004a. Alessi: Evolution of an Italian Design Factory (B), *Harvard Business School Case*.

Moon, Y., Dessain, V., & Sjoman, A. 2004b. Alessi: Evolution of an Italian Design Factory (C), *Harvard Business School Case*.

Moon, Y., Dessain, V., & Sjoman, A. 2004c. Alessi: Evolution of an Italian Design Factory (D), *Harvard Business School Case*.

Mowery, D. C., Oxley, J. E., & Silverman, B. S. 1996. Strategic alliance and interfirm knowledge transfer *Strategic Management Journal*, 17: 77-91.

Nahapiet, J., & Ghoshal, S. 1998. Social capital, intellectual capital, and the organizational advantage *Academy of Management Review*, 23(2): 242-266.

Nelson, R. R., & Winter, S. G. (Eds.). 1982. *An evolutionary theory of economic change*

Newbert, S. L. 2008. Value, rareness, competitive advantage, and performance: a conceptual-level empirical investigation of the resource-based view of the firm. *Strategic Management Journal*, 29(7): 745-768.

Nonaka, I. 1994. A Dynamic Theory of Organizational Knowledge Creation. *Organization Science*, 5(1): 14-37.

Nonaka, I., von Krogh, G., & Voelpel, S. 2006. Organizational Knowledge Creation Theory: Evolutionary Paths and Future Advances. *Organization Studies (01708406)*, 27(8): 1179-1208.

Oakes, L. S., Townley, B., & Cooper, D. J. 1998. Business planning as pedagogy: Language and control in a changing institutional field. *Administrative Science Quarterly*, 43(2): 257-292.

Ocasio, W., & Joseph, J. 2005. Cultural adaptation and institutional change: The evolution of vocabularies of corporate governance, 1972-2003. *Poetics*, 33(3-4): 163-178.

Osterman, P. 2006. Overcoming Oligarchy: Culture and Agency in Social Movement Organizations. *Administrative Science Quarterly*, 51(4): 622-649.

Penrose, E. T. 1959. *The theory of the Growth of the Firm*. New York: John Wiley.

- Peteraf, M. A. 1993. The Cornerstone of Competitive Advantage: : A Resource-based View. *Strategic Management Journal*, 14(3): 179-191.
- Peterson, R. A. 1979. Revitalizing the culture concept. *Annual Review of Sociology*, 5: 137-166.
- Pettigrew, A. M. 1990. Longitudinal field Research on change: Theory and practice. *Organization Science*, 1(3): 267-292.
- Pitelis, C. N. 2009. The Co-Evolution of Organizational Value Capture, Value Creation and Sustainable Advantage. *Organization Studies (01708406)*, 30(10): 1115-1139.
- Podolny, J. M. 1994. Market Uncertainty and the Social Character of Economic Exchange. *Administrative Science Quarterly*, 39(3): 458-483.
- Polinoro, L. 1989. *L'Officina Alessi. Alberto Alessi e Alessandro Mendini: Dieci Anni di Progetto, 1980-1990*. Crusinallo: FAO/Alessi.
- Pólos, L., Hannan, M. T., & Carroll, G. R. 2002. Foundations of a theory of social forms. *Industrial & Corporate Change*, 11(1): 85-115.
- Porac, J. F., Thomas, H., & Baden-Fuller, C. 1989. Competitive groups as cognitive communities: the case of Scottish knitwear manufacturers. *Journal of Management Studies*, 26(4): 397-416.
- Porac, J. F., Wade, J. B., & Pollock, T. G. 1999. Industry Categories and the Politics of the Comparable Firm in CEO Compensation. *Administrative Science Quarterly*, 44(1): 112-144.
- Pratt, M. G., & Foreman, P. O. 2000. Classifying managerial responses to multiple organizational identities *Academy of Management Review*, 25(1): 18-42.
- Pratt, M. G., & Kraatz, M. S. 2009. E pluribus unum: multiple identities and the organizational self. In L. M. Roberts, & J. E. Dutton (Eds.), *Exploring Positive Identities and Organizations*: 385-410. New York, NY: Routledge.



Priem, R. L. 2007. A consumer perspective on value creation *Academy of Management Review*, 32(1): 219-235.

Purdy, J. M., & Gray, B. 2009. Conflicting logics, mechanisms of diffusion, and multilevel dynamics in emerging insitutional fields. *Academy of Management Journal*, 52(2): 355-380.

Rafaeli, A., & Vilnai-Yavetz, I. 2004. Emotion as a Connection of Physical Artifacts and Organizations. *Organization Science*, 15(6): 671-686.

Rao, H. 1994. The social construction of reputation: certification contests, legitimation, and the survival of organizations in the American automobile industry: 1895--1912. *Strategic Management Journal*, 15: 29-44.

Rao, H. 1998. Caveat emptor: The construction of nonprofit consumer watchdog organizations. *American Journal of Sociology*, 103(4): 912.

Rao, H., Monin, P., & Durand, R. 2005. Border Crossing: Bricolage and the erosion of categorical boundaries in French gastronomy. *American Sociological Review*, 70(6): 968-991.

Rao, H., & Sivakumar, K. 1999. Institutional Sources of Boundary-Spanning Structures: The Establishment of Investor Relations Departments in the Fortune 500 Industrials. *Organization Science*, 10(1): 27-42.

Ravasi, D., & Lojacono, G. 2005. Managing Design and Designers for Strategic Renewal. *Long Range Planning*, 38(1): 51-77.

Ravasi, D., & Rindova, V. (Eds.). 2008. *Symbolic Value Creation*. London: SAGE.

Ravasi, D., & Schultz, M. 2006. Responding to organizational identity threats: Exploring the role of organizational culture. *Academy of Management Journal*, 49(3): 433-458.

Rindova, V., Dalpiaz, E., & Ravasi, D. 2009. A Cultural Quest: A Study of Cultural Repertoire Enrichment, *Academy of Management Conference*. Chicago.

Rindova, V., Reger, R., & Dalpiaz, E. forthcoming. The mind of the strategist and the eye of the beholder: the socio-cognitive perspective in strategy research. In G. Dagnino (Ed.), *Handbook of Strategy*: Edward Elgar.

Rindova, V. P. 2007. *Cultural consumption and value creation in consumer goods technology industries*. Paper presented at the Academy of Management Proceedings.

Rindova, V. P., & Kotha, S. 2001. Continuous "morphing": competing through dynamic capabilities, form and function. *Academy of Management Journal*, 44(6): 1263-1280.

Rindova, V. P., & Petkova, A. P. 2007. When Is a New Thing a Good Thing? Technological Change, Product Form Design, and Perceptions of Value for Product Innovations. *Organization Science*, 18(2): 217-232.

Rindova, V. P., Petkova, A. P., & Kotha, S. 2007. Standing out: how new firms in emerging markets build reputation. *Strategic Organization*, 5(1): 31-70.

Rindova, V. P., Pollock, T. G., & Hayward, M. L. A. 2006. Celebrity firms: the social construction of market popularity. *Academy of Management Review*, 31(1): 50-71.

Rindova, V. P., Williamson, I. O., Petkova, A. P., & Sever, J. M. 2005. Being good or being known: an empirical examination of the dimensions, antecedents, and consequences of organizational reputation. *Academy of Management Journal*, 48(6): 1033-1049.

Roberts, P. W., & Dowling, G. R. 2002. Corporate reputation and sustained superior financial performance. *Strategic Management Journal*, 23(12): 1077-1094.

Rosa, J. A., Judson, K. M., & Porac, J. F. 2005. On the sociocognitive dynamics between categories and product models in mature markets. *Journal of Business Research*, 58(1): 62-69.

Rosa, J. A., Porac, J. F., Runser-Spanjol, J., & Saxon, M. S. 1999. Sociocognitive dynamics in a product market. *Journal of Marketing*, 63(4): 64-77.

Rosenkopf, L., & Nerkar, A. 2001. Beyond local search: boundary-spanning, exploration, and impact in the optical disc industry. *Strategic Management Journal*, 22(4): 287-307.

Salvato, C. 2006. *Micro-foundations of Organizational Adaptation. A Field Study in the Evolution of Product Development Capabilities in a Design Firm*. Jonkoping International Business School.

Salvato, C. 2009. Capabilities Unveiled. The Role of Ordinary Activities in the Evolution of Product Development Process. *Organization Science*.

Saxenian, A. 1990. Regional Networks and the Resurgence of Silicon Valley. *California Management Review*, 33(1): 89-112.

Schrage, M. 2000. *Serious play: how the world's best companies simulate to innovate* Cambridge, MA: Harvard University Press.

Scott, R., Ruef, M., Mendel, P. J., & Caronna, C. A. 2000. *Institutional Change and Healthcare Organizations : From Professional Dominance to Managed Care*. Chicago, IL: University of Chicago Press.

Scott, R. W. 2001. *Institutions and organizations*. Thousand Oaks: Sage.

Scott, R. W. 2002. *Organizations: Rational, Natural, and Open Systems*

Scott, R. W. 2006. Promising and neglected types of studies in cultural industries. In J. Lampel, J. Shamsie, & T. Lant (Eds.), *The business of culture: strategic perspectives on entertainment and media* Mahwah, NJ: Laurence Erlbaum.

Song, J., Almeida, P., & Wu, G. 2003. Learning-by-Hiring: When Is Mobility More Likely to Facilitate Interfirm Knowledge Transfer? *Management Science*, 49(4): 351-365.

Stark, D. (Ed.). 2009. *The Sense of Dissonance*. Princeton, NJ: Princeton University Press.

Stark, D., & Girard, M. 2009. Creative Friction in New Media Start-up. In D. Stark (Ed.), *The sense of dissonance*: 81-117. Princeton, NJ: Princeton University Press.

Strang, D., & Meyer, J. W. 1993. Institutional conditions for diffusion. *Theory and Society*, 22: 487-511.

Strauss, A. L., & Corbin, J. M. 1998. *Basics of Qualitative Research: Techniques and Procedures for Developing Grounded Theory*. Thousand Oaks: Sage.

Suchman, M. C. 1995. Managing legitimacy: Strategic and institutional approaches. *Academy of Management Review*, 20(3): 571-610.

Suddaby, R. 2006. From the editors: What grounded theory is not. *Academy of Management Journal*, 49(4): 633-642.

Sullivan, A. 2001. Cultural Capital and Educational Attainment. *Sociology*, 35(4): 893-912.

Sweet, F. 1998. *Alessi. Art and Poetry*. London: Thames and Hudson.

Swidler, A. 1986. Culture in action: symbols and strategies. *American Sociological Review*, 51(2): 273-286.

Swidler, A. 2001. *Talk of Love: How Culture Matters* Chicago, IL: University of Chicago Press.

Szulanski, G. 1996. Exploring internal stickiness: impediments to the transfer of best practices within the firm *Strategic Management Journal*, 17: 27-43.

Szulanski, G., & Jensen, R. J. 2006. Presumptive adaptation and the effectiveness of knowledge transfer. *Strategic Management Journal*, 27(10): 937 - 957.

- Teece, D. J., Pisano, G., & Shuen, A. 1997. Dynamic capabilities and strategic management *Strategic Management Journal*, 18(7): 509-533.
- Thornton, P. H. 2002. The rise of the corporation in a craft industry: Conflict and conformity in institutional logics. *Academy of Management Journal*, 45(1): 81-101.
- Thornton, P. H. 2004. *Markets from Culture*. Stanford, CA: Stanford University Press.
- Thornton, P. H., & Ocasio, W. 1999. Institutional logics and the historical contingency of power in organizations: Executive succession in the higher education publishing industry, 1958-1990. *American Journal of Sociology*, 105(3): 801-844.
- Tolbert, P. S., & Zucker, L. C. 1996. Institutionalization of institutional theory. In S. Clegg, C. Hardy, & W. Nord (Eds.), *The handbook of organization studies*. Thousand Oaks, CA: Sage.
- Townley, B. 2002. The role of competing rationalities in institutional change. *Academy of Management Journal*, 45(1): 163-179.
- Tripsas, M. 2009. Technology, Identity, and Inertia Through the Lens of "The Digital Photography Company". *Organization Science*, 20(2): 441-460.
- Tripsas, M., & Gavetti, G. 2000. Capabilities, cognition, and inertia: evidence from digital imaging. *Strategic Management Journal*, 21(10/11): 1147.
- Tushman, M. L., & O'Reilly, C. A. 1996. Ambidextrous Organizations: Managing evolutionary and revolutionary change *California Management Review*, 38(4): 8-30.
- Van Maanen, J. 1979. The fact of fiction in organizational ethnography. *Administrative Science Quarterly*, 24(4): 539-550.

- Verganti, R. 2006. Innovating through design. *Harvard Business Review*, 84(12): 114-122.
- Verganti, R. 2008. Design, Meanings, and Radical Innovation: A Metamodel and a Research Agenda. *Journal of Product Innovation Management*, 25(5): 436-456.
- Wang, H. C., He, J., & Mahoney, J. T. 2009. Firm-specific knowledge resources and competitive advantage: the roles of economic- and relationship-based employee governance mechanisms. *Strategic Management Journal*, 30(12): 1265-1285.
- Wang, Y., Lo, H.-P., & Yang, Y. 2004. The constituents of core competencies and firm performance: evidence from high-technology firms in china. *Journal of Engineering & Technology Management*, 21(4): 249-280.
- Weber, K. 2005. A toolkit for analyzing corporate cultural toolkits. *Poetics*, 33(3-4): 227-252.
- Weber, K., Heinze, K. L., & DeSoucey, M. 2008. Forage for Thought: Mobilizing Codes in the Movement for Grass-fed Meat and Dairy Products. *Administrative Science Quarterly*, 53(3): 529-567.
- Weick, K. E. 1979. Cognitive processes in organizations. *Research in Organizational Behavior*, 1: 41.
- Weick, K. E. 1995. *Sensemaking in Organizations*. Thousand Oakes, CA: Sage.
- Wernerfelt, B. 1984. A Resource-based View of the Firm. *Strategic Management Journal*, 5(2): 171-180.
- Whetten, D. A. 2006. Albert and Whetten revisited. Strengthening the concept of organizational identity. *Journal of Management Inquiry*, 15(3): 219-234.
- Wijnberg, N. M. 1995. Selection processes and appropriability in art, science, and technology. *Journal of Cultural Economics*(19): 221-235.

Wijnberg, N. M., & Gemser, G. 2000. Adding Value to Innovation: Impressionism and the Transformation of the Selection System in Visual Arts. *Organization Science*, 11(3): 323-329.

Winnicott, D. W. 1971/1999. *Playing and Reality*. New York: Routledge.

Winnicott, D. W. 1975/1992. *Through Paediatrics to Psychoanalysis: Collected Papers*. New York: Basic Books.

Wisniewski, E. J. 1996. Construal and similarity in conceptual combination. *Journal of Memory and Language*, 35: 434-353.

Wrong, D. H. 1961. The oversocialized conception of man in modern sociology. *American Sociological Review*, 26(2): 183-193.

Yin, R. K. 1994. The abridged version of case study research. In L. Bickman, & D. J. Rog (Eds.), *Handbook of Applied Social Research*: 229-260: Sage.

Zahra, S. A., & Nielsen, A. P. 2002. Sources of Capabilities, Integration and Technology Commercialization. *Strategic Management Journal*, 23(5): 377.

Zerubavel, E. 1996. Lumping and splitting: notes on social classification. *sociological Forum*, 11: 421-433.

Zilber, T. B. 2002. Institutionalization as an Interplay Between Actions, Meanings, and Actors: the Case of a Rape Crisis Center in Israel. *Academy of Management Journal*, 45(1): 234-254.

Zilber, T. B. 2006. The Work of the Symbolic in Institutional Processes: Translations of Rational Myths in Israel High Tech. *Academy of Management Journal*, 49(2): 281-303.

Zollo, M., & Winter, S. G. 2002. Deliberate Learning and the Evolution of Dynamic Capabilities. *Organization Science*, 13(3): 339-351.

Zott, C., & Huy, Q. N. 2007. How Entrepreneurs Use Symbolic Management to Acquire Resources. *Administrative Science Quarterly*, 52(1): 70-105.

Zuckerman, E., & Kim, T.-Y. 2003. The Critical Trade-Off: Identity Assignment and Box-Office Success in the Feature Film Industry. *Industrial and Corporate Change* 12: 27-67. .

Zuckerman, E. W. 1999. The Categorical Imperative: Securities Analysts and the Illegitimacy Discount. *The American Journal of Sociology*, 104(5): 1398-1438.

Zuckerman, E. W., Kim, T.-Y., Ukanwa, K., & Rittmann, J. v. 2003. Robust identities or nonentities? Typecasting in the feature-film labor market. *American Journal of Sociology*, 108(5): 1018-1074.

Zurlo, F., Cagliano, R., Simonelli, G., & Verganti, R. 2002. *Innovare con il Design*. Milano, Italy: Il Sole 24 Ore.



*I am particularly grateful to Davide Ravasi and Violina Rindova (my Thesis Committee members), who have guided and advised me with passion during these years, and who have taught me so much!*

*A special thanks also to Prof. Guido Corbetta for his insightful comments on this work.*

*Finally, I would like to acknowledge the very important moral support that my friends Irene and Giada have always provided me with.*

*Thank you all.*