Identities, Genres, and Organizational Forms

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In recent years, there has been an increasing emphasis within organizational ecology on identity as a fundamental basis for the conceptualization and identification of organizational forms. This paper highlights the benefits of an identity-based conceptualization of organizational forms and outlines an identity-based agenda for organizational ecology. We begin by discussing fundamental properties of organizational identity, drawing extensively from the formal-theoretical conceptualization proposed by Pólos et al. (2002). We then build on this foundation by proposing a number of systematic ways in which forms can be specified and differentiated in terms of identity. We also address the challenge of measuring forms by discussing various approaches researchers may use to assess the beliefs contemporaneous audiences hold regarding organizational identities. This paper concludes with a discussion of research questions revolving around three issues core to an ecological approach to organizations: (1) the emergence of identities, (2) the persistence of identities, and (3) the strategic trade-offs among different types of identities.

Key words: identity; organizational forms; organizational ecology

Over the past two decades, macro research on organizations has converged on a research strategy of analyzing the life histories of (all) organizations in specified populations, regarded as collections of organizations with common forms. Developing and refining this population-based strategy has been beneficial in promoting certain craft standards once largely lacking in organizational research and in increasing the comparability of findings across studies. Yet, continued progress requires that the theoretical foundations of this approach be reworked.

In particular, the basic concept of form lacks a clear specification. Current work continues to refer to initial formulations that spelled out only partial definitions (Hannan and Freeman 1977, 1984). As a result, guidelines for a crucial step in empirical research—the specification of meaningful population boundaries—are less than clear. As this style of research has diffused broadly beyond the relatively homogeneous group of organizational ecologists, such lack of clarity has become increasingly problematic.

Fortunately, several recent strands of work have advanced our understanding of the issues involved in specifying forms and populations. As this work has progressed, it has opened new avenues of theory and empirical research on core issues in organization theory. This paper describes some of these new developments and sketches possible implications for the next phases of research on organizational dynamics.

Population-Based Research
The style of work in question developed first in organizational ecology (OE), a research program directed at explaining change in the world of organizations. Such change involves alteration in the mix of organizations within organizational forms (composition) and in the set of forms themselves (diversity). Both composition and diversity vary considerably among social systems and over time. Many now prominent organizations (and populations) did not exist even a generation ago. Other organizational populations have undergone extensive structural change during recent decades. With a few notable exceptions, leading organizations seldom retain their dominance—or even survive—when technological, social, and economic structures sharply change. Such changes generally allow newly founded organizations to emerge and prosper. On a time scale of centuries, the world of organizations changes by selection in the sense of differential replacement.[1]

Research on changes in the composition of the organizational world examines the determinants of the vital rates of founding and mortality, giving the OE research program a strong demographic flavor. Although it might seem natural to specify the demographic processes at the level of the individual organization, this is not generally feasible. Mortality hazards can always be meaningfully defined for particular organizations, but hazards of founding cannot (because the absence of foundings in some period or place must be considered in assessing this hazard). Research in OE regards foundings (and other kinds of entries) as events occurring in organizational populations, and it specifies the key processes at that level. Thus there is no escaping the dependence on a population focus in comparative studies of organizational change.

OE's research strategy has four distinguishing characteristics:[2] (1) it examines the full histories of the populations because early events can have lasting consequences for population dynamics; (2) it gathers life history data on all organizations in the population(s), including the large and famous as well as the small and insignificant—this is crucial for avoiding problems of selectivity bias; (3) it records detailed information about type of entry (new founding, entry from another industry, merger, etc.) and exit (disbanding, acquisition, transformation, etc.); and (4) it uses event-history methods to estimate the effects of characteristics of organization, population, and environment on the hazards of entry and exit (treating the various kinds of vital events as competing risks). This population-based research strategy has diffused widely in organizational research.

Research that follows these guidelines usually uncovers many more organizations than even close observers of an industry expect. Moreover, careful archival searches often find information on hundreds of organizations that get overlooked in published enumerations. Completeness of coverage makes a big difference for estimates of ecological models. It is also likely that it affects judgments about diversity because the difficult-to-find organizations often differ substantially from the most visible ones.[3]

In the standard approach populations are defined as spatial-temporal instantiations of organizational forms (Hannan and Freeman 1977). Getting the specifications of forms and of population boundaries right presents major challenges. Much research relies on conventional industrial categories to define populations. Some prominent examples include studies of automobile producers (Hannan et al. 1995), art museums (Blau 1995), auditors (Boone et al. 2000), banks (Barnett and Hansen 1996, Lomi 2000), investment banks (Park and Podolny 2000), newspapers (Carroll 1987, Dobrev 2001), semiconductor manufacturers (Podolny et al. 1996), symphony orchestras (Allmendinger and Hackman 1996), and television stations (Sørensen 2000).

Other well-studied populations correspond to something like niches within industries, e.g., specialized subindustries or socially distinct categories of producers in an industry. Examples include studies of baseball teams (Land et al. 1994), microbrewers and brewpubs (Carroll and Swaminathan 2000), biotechnology companies (Sørensen and Stuart 2000), craft labor unions (Hannan and Freeman 1989), credit unions (Barron et al. 1994), ethnic newspapers (Olzak and West 1991), and "farm" wineries (Swaminathan 1995).

Finally, some do not seem to fit any conventional notion of industry. In these cases, the forms invoked cut across conventional industry boundaries or lie outside of the domain of industry as conventionally defined. Examples include social movement organizations (Minkoff 1999, Olzak and Uhrig 2001, Nownes 2004) and worker cooperatives (Ingram and Simons 2000).

As this list of examples suggests, population-level research on organizations has flourished in the past 20 years (Carroll and Hannan 2000). The research strategy has uncovered systematic patterns and deepened our understanding of organizational dynamics. The challenge now is to go deeper, and this seems to require rethinking and reworking the research strategy.

The problematic issue is that the value of population research depends heavily on whether the populations studied represent instances of meaningful social units. Unfortunately there is little agreement on how to define forms. Romanelli's (1991, p. 81) review of the literature on the emergence and establishment of new organizational forms concluded that "no theoretical consensus exists regarding an approach to the problem." Although many perspectives on forms had been proposed, she could find "no overarching themes for integrating these perspectives" (Romanelli 1991, p. 100).

As we noted above, many researchers still rely predominantly on industrial or product-market distinctions in specifying organizational populations (and thereby, implicitly, enshrine these categories as organizational forms). This should not be surprising given that prior work generally collects data from archival sources covering complete histories of industries. Yet, the question must be addressed: Do such distinctions based on product correspond to salient identities in the minds of members and external audiences?

The research dilemma, of course, is that the most fundamental bases of identity generally prove to be most elusive to researchers. Researchers have generally measured forms using surface attributes, and the need to collect retrospective longitudinal data on all members of an organizational population severely limits the kind of information that can be gathered reliably and exhaustively. Nonetheless, a growing number of researchers argue that research needs to go to the heart of the issue: identity (e.g., Carroll and Swaminathan 2000, Pólos et al. 2002, Ruef 2000, Baron 2004, Hannan et al. 2005b). The next several sections sketch the argument that forms and populations ought to be defined in terms of social identities and explore ways of implementing this proposal.

Conceptualizing Organizational Identity

According to the conception proposed by Pólos et al. (2002); see also Hannan et al. (2005a, Chapters 13–16), organizational identity consists of social codes, or sets of rules, specifying the features that an organization is expected to possess. These codes represent default expectations held by audiences about organizational properties and constraints over properties. Perceptions of the satisfaction or violation of applicable codes affect the

direction and strength of an audience's social approval of an organization. An observed violation of a code generally causes an audience to devalue the organization. Audiences impose constraints on the feature values organizations adopt through the threat of devaluation. Because such expectations are intricately tied to notions of organizational worth, they have the power to shape and constrain organizations. Identities generally have a rule-like status.

Several aspects of this conception deserve particular emphasis. The first concerns the *locus* of identity. Following standard sociological arguments, this formulation holds that identity inheres in the expectations, assumptions, and beliefs held by agents, both external and internal to an organization. Sociologists often now refer to (relatively) homogenous sets of such agents as *audiences*. Audiences are collections of agents with an interest in a domain and control over material and symbolic resources that affect the success and failure of the claimants in the domain.

Identities can usefully be regarded as codes (or rules) that audience members hold as defaults for an organization. Such defaults typically set limits on the features and actions that are expected. Therefore, identity is not simply a list of observable properties; and it cannot be detected solely through the constancy of some set of features within an organization. Empirical research that gauges identity by listing stable features fails to recognize that ownership of an organization's identity resides within an organization's audience rather than within the organization itself. Researchers must therefore look to the perceptions, beliefs, and actions of contemporaneous audiences for guidance about the default codes relevant to a particular identity.

For example, for their study of role identities in French gastronomy, Rao et al. (2003) interviewed gastronomic critics, faculty members at leading culinary schools, and leading chefs to gain a contextual understanding of the set of codes that specify identities for practitioners of nouvelle versus classical cuisine. The set of codes for classical cuisine include, for example, the celebration of conservatism and preservation, the role of the chef as a background employee of the restaurant owner, and a very lengthy menu. The set for nouvelle cuisine include the celebration of innovation and imagination, the chef as the center of operations, and a very narrow menu. This study finds that extensive theorization by gastronomic journalists about nouvelle cuisine significantly influenced the propensity of French chefs to move from classical to nouvelle cuisine, providing an empirical demonstration of how the actions and beliefs of external audiences can play a significant role in shaping identities.

Organizations generally face multiple audiences that can hold different, perhaps conflicting, defaults for an organization. Among organization insiders, it would not be surprising to find such differences between top managers and entry-level workers, permanent and temporary employees, and female and male workers. The same holds for different classes of outsiders, such as government regulators, critics, industry analysts, consumers and clients, and potential employees. If each audience holds a different code for an organization (or cluster of organizations), then the overall result would be an inchoate set of identities. At the other extreme, lies full *institutional consolidation* of identity, or complete agreement among the different audiences about the codes and expectations for identity.

A low degree of institutional consolidation creates conditions for conflicting demands on organizations, which causes confusion and ambiguity for organizational decision makers and hampers an organization's ability to negotiate its external environment. The difficulty of managing a multiplicity of different identities likely outweighs the potential advantages (Zuckerman et al. 2003). In select cases, however, the presence of different defaults among an organization's audiences can be a key source of strategic advantage. Padgett and Ansell (1993), for example, found the strategic manipulation of multiple identities to be a source of power for Cosimo de' Medici in Renaissance Florence. Even though adversaries attempted to narrow Cosimo's set of possible actions, his many and different identities in the eyes of his evaluators enabled him to maintain a relatively wide range of options across unforeseeable futures and to avoid entanglement in an overarching battle.

Institutional consolidation should also affect the persistence of identities. When all audiences hold the same expectations and enforce the same codes for organizational identity, violations of standards are met with particularly sharp devaluations. Such unified enforcement of codes presumably generates greater adherence to and persistence of codes.

A second point for emphasis in the new formulation of identity is that the perceived satisfaction or violation of identity codes has important and observable consequences for organizations. Because audiences control the material and symbolic resources that sustain organizations, their perceptions of whether or not an organization satisfies the applicable codes affects their valuations of its worth and, indirectly, the organization's chances of success. The Stanford Project on Emerging Companies (SPEC) has demonstrated the deleterious effects of identity-code violations using a sample of young high-technology companies in Silicon Valley. The codes of interest in this study relate to the identities of firms in labor markets, as reflected in the premises about the employment relation held by founders and later CEOs. Firms' identities in the labor market appear to be constructed on these employment systems and with the cultures they create. More specifically, scientists and engineers, key resources to young technology

companies, are likely recruited with an appeal to a particular employment relation. Durable expectations about the employment relation constitute an internal identity code. Change in the employment model violates such codes and is likely to be punished by defection or loss of commitment.

This research finds that changes in premises about employment relations destabilized the firms. It increased employee turnover significantly, especially among employees with the longest tenure (Baron et al. 2001) and diminished chances of early success substantially and significantly (Hannan et al. 2005b). Specifically, the hazard of mortality for firms that experienced change in labor market identity was three times that of nonchangers; growth in market capitalization was roughly 5% per month lower for changers than nonchangers; and, for some types of identity changes, the hazard of completing an initial public stock offering was lower. The results of these studies are telling: Even in a fast-paced, turbulent context in which one might expect the effects of change in identity to be slight, organizations that violate identity codes incur substantial penalties for their actions.

A third point to note is that our conception of identity differs from the common perspective in the literature on organizational behavior, which treats organizational identity as determined solely by the organization's members (Albert and Whetten 1985, Dutton and Dukerich 1991). Identity, according to that view, refers to what organizational insiders believe are the central, distinctive, and enduring features of their organization.[4] We think that restricting considerations of identity to organizational insiders limits understanding of how organizations get constrained by identity codes. Clearly, the views of organizational insiders matter greatly; however these are not the only constituents whose valuations of organizational worth constrain the actions that organizations can undertake. In many cases, agents external to an organization (e.g., regulators, potential investors, critics, or industry analysts) can exert an even more powerful impact. Research on identity that limits its focus to organizational insiders cannot determine the relative importance of internal versus external constraints. Neither does it allow for the possibility that internal beliefs might be highly circumscribed by external attributions (Zuckerman and Kim 2003).

By treating organizational identity as something that inheres in the expectations and beliefs of diverse audiences, both internal and external to the organization, we advance a more general view of how identity-based codes impact organizations. Indeed, our formulation can handle the case in which the only relevant audience is composed of insiders. (Nothing in the formal representations stipulates that the audience that holds an identity is external to the organization.) Moreover, unlike the standard conceptions of organizational identity in the literature on organizational behavior, our formulation

also allows insiders to hold divergent beliefs regarding identity. In other words, it allows the insiders to comprise more than one audience. Our conception emphasizes that each audience might hold a different set of codes for an organization. It points to degree of institutional consolidation as an important influence on the nature and strength of the identity-based constraints for organizations.

Organizational Forms

Organizational forms represent a specific kind of collective organizational identity (Pólos et al. 2002, Hannan 2005). The concept of form involves an abstraction from the uniqueness of individual organizations and a typification of commonality. The details of the abstraction and typification can vary over contexts. In one important case, individual organizations come to resemble one other (possibly as a result of imitation or selection that reduce diversity), and audiences recognize and code the resemblances into a form. This kind of process seems to characterize the rise of such forms as the "bulge bracket" investment bank (Podolny 1993). Yet, the abstraction can arise in other ways as well. For instance, state authorities sometimes specify a (partial) code for a new kind of organization, authorize it, and create incentives that benefit those actors who adopt the authorized design; this is clearly a kind of "top down" abstraction. This kind of process occurred in the creation of the "health-maintenance organization" form (Strang 1995). Still other cases highlight social movement action as the crystallization of codes for a proposed form. The development of the modern microbrewer form shows a strong influence of the collective actions of enthusiasts and early entrants into the category (eventually in the formation of an association, the Institute of Brewing Studies, that claims to speak authoritatively on the boundaries of the claimed organizational form).

A clear definition of form must be able to account for these diverse processes of abstraction. In developing this definition, then, it would seem reasonable to begin not with an actual identity, but with a placeholder for the cultural object that can potentially become a form. Our placeholder is an audience's *codified category*, represented as an ordered pair consisting of the audience's label (or type) and its codes of what is and is not acceptable for members of the category.

The important step in the specification of categories is to distinguish merely nominal from sociologically real categorical distinctions. The core idea is that organizations claim to perform specific and limited goals. Such claims get validated (or not) by audiences that care about domains. If an audience determines that a claimant conforms to its standards in such a case, then it treats the codes embedded in the standard as a default for the organization. Such default expectations form the basis of organizational form.

A category is nominal if no valuations get associated with membership. Sociologically real categories are those for which membership matters in the sense that an audience screens organizations for conformity with standards before conferring the status of valid member of the equivalence class. For instance, "bulge bracket" investment bank was a real category during much of the twentieth century in that banks that qualified for this category enjoyed considerable privilege in access to clients and in forming banking syndicates (Podolny 1993).

Membership in sociologically real categories constitutes part of an organization's identity. As with identities in general, category and form memberships get conferred by an audience—not chosen by focal organizations. Phillips and Zuckerman (2001) represent the role of the audience as involving a two-step process. In the first step, the audience screens candidates and distinguishes some as valid or worthy of attention. So, for instance, the audience decides what candidate museums, pubs, or investment banks deserve these labels. This process of validation converts candidates into authentic members of the form in the eyes of an audience.

In the second step, the audience inspects properties of the validated form members and draws further quality distinctions. In some cases, this kind of inspection focuses on observable features of the offerings, e.g., the depth and variety of a museum's collection, special exhibits, and so forth. In other cases, offerings are difficult to observe directly without entering into a relationship with a "producer," and the evaluators generally look for indirect signals of quality. In an especially interesting case, audiences look at the actions of other form members (that presumably reflect insider evaluations of quality) to judge quality (Podolny 1993).

We presume that audiences use a membership standard (set of codes) in validation. Once an organization has been validated as a member of a category, the audience continues to apply the membership standard to it—but now as a default. This means that, in the absence of information to the contrary, the audience assumes as a default that a valid member continues to satisfy the standard after validation.

In general, gaining the status of valid member provides an advantage (which explains why there are candidates). For instance, audiences for an art world defer to validated museums as authoritative, and they often provide material and symbolic support such as donations of time and money and endorsement. Likewise, the status of investment bank (validated by the fact that other investment banks will do deals with a focal organization) or biotechnology drug-discovery firm (validated by the presence of notable molecular biologists on a firm's advisory board) increases the valuation of the organization in the eyes of potential investors and employees.

Zuckerman (1999) empirically demonstrates that organizations that fail to establish themselves clearly as member of a legitimated form in the eyes of important evaluators suffer lowered valuation. His research on capital markets documents a devaluation of firms whose profiles of industry participation do not conform to the schemas held by financial analysts for sorting firms into reference groups. Nonconforming firms are less likely to receive coverage from the analysts that specialize in the industries included in a firm's profile. Such lack of coverage is due to the difficulty encountered by analysts (and others) in comprehending and evaluating them; lack of coverage by analysts reduces their attractiveness to investors and impairs their stock market returns accordingly.

Form membership, defined in the way we have outlined, does not imply that a validated member actually conforms to the codes specifying the form. Rather, it means that these codes are defaults. This treatment of the form concept corresponds to the sociological notion of forms as having a taken-for-granted status (Meyer and Rowan 1977, Meyer and Scott 1983). An audience's use of defaults in evaluating the members of a category suggests that the audience takes for granted the existence of the category. Because membership standards invoke such default reasoning, we can use the existence of a membership standard to mark the difference between an ordinary category and a form. That is, an organizational form is a named category to which an audience applies membership standards.

This definition of forms invites consideration of the processes by which categories may come to achieve the status of forms. One process, following density dependence theory, is through growth in the number of actors classified under the identity (Hannan and Carroll 1992). As this number increases to some ceiling, the category becomes legitimated in the eyes of relevant audiences as a taken-for-granted type of organization with jurisdiction over a particular domain. Attaining taken-for-granted status may also depend on the existence of a distinct label for the set of organizational actors. We regard such naming as an important step in the legitimation process because it contributes to the social reality of a category in several ways. First, a label contributes to the legitimacy of a category by emphasizing its distinctiveness. Audiences find it easier to isolate a particular phenomenon from the rest of the social world when they have access to a label for it (Whorf 1956, Zerubavel 1997). Perceptions of differences between relatively similar phenomenon such as seventeen-year-old "minors" versus eighteen-year-old "adults" or four-star versus three-star hotels become exaggerated when labels are applied (Zerubavel 1997, p. 66). Kay and Kempton (1984) illustrate the influence of linguistic categories on cognition in their comparison of the perception of colors among English and Tarahumara speakers. In a set of experimental studies, they find that English speakers (who have separate labels for blue and green)

tend to exaggerate the discrimination of colors close to the boundary between blue and green, while Tarahumara speakers (who lack this lexical distinction) do not.

A label also emphasizes the homogeneity of a set of organizations by inducing audiences to focus on similarities between objects and to connect them in their minds (Zerubavel 1997). For example, experimental studies by Sloutsky et al. (2001) reveal that the presence of linguistic labels affects inductive processes about the commonalities of objects. They find that assigning a common label increases the degree to which objects are perceived as behaving in the same way or possessing similar properties. Park and Hastie (1987) similarly find that people perceive a group to be less variable when they receive a schematic label for the group before learning about its members rather than after. It follows that organizations that fall under a common lexical category tend to be perceived as having common fates, similar features, and so forth.

Labels also increase the availability (or salience) of the category to audience members. Psychological research has demonstrated that mental representations of categories (schemas) facilitate automatic cognition by providing default assumptions about target objects under conditions of incomplete information (DiMaggio 1997). By providing these default assumptions, schemas come to influence people's perceptions, interpretations, and recall of experiences.[5] We think that this argument carries over to the organizational domain, that availability of a label for a set of organizations heightens the strength and availability of the schema, increasing its influence on cognitive processing.

Labels also facilitate communication about the set and its existence to others. Because our schematic classifications are social (i.e., learned and shared through interaction with others), the availability of labels that convey categorical classifications facilitates the institutionalization of categories. Social reference to labels also reinforces perceptions of homogeneity because assigning a label inherently implies an assumption of commonality among the members of the category named.

A codified category achieves the status of an organizational form when the given audience treats the satisfaction of its applicable codes by the members of the category as a default. (This means that it treats the absence of evidence of code violation as tantamount to satisfaction of the codes.) If a category turns into a form, then the social codes that specify the form apply by default to organizations classified by audiences as form members. This means that membership in a form becomes part of an organization's identity. Of course, even when organizations can be classified as belonging to a particular form, they often still hold clear individual identities and experience strong constraint from organization-level expectations.

The relative importance of organization-specific versus form-specific identities for constraint varies according to the status of different organizations. Relative to their low-status counterparts, high-status organizations likely experience less pressure from constraints at the form-level but more constraint from powerful individual identities. As Phillips and Zuckerman (2001) argue, high-status actors have less of a need to conform to broad cultural codes for form identity—their status affords them the privilege to deviate to some degree. High-status organizations generally get recognized and endorsed by external evaluators on the basis of adherence to all of the social rules for members of their established categories.

High status presumably involves a trade-off: High-status actors appear to be more immune to punishments for deviation from broad form-level identities, but they face stronger punishment for deviation from their organization-specific identities. We base this conjecture on the assumption that organizations with higher status will have a more conspicuous and distinct organization-specific identities in the eyes of relevant evaluators. Perceptions of status are likely entangled with perceptions of the organization's distinctiveness—the characteristics that distinguish it from the rest of its lower-status counterparts. As a result, evaluators will have stronger organization-specific expectations for high-status organizations, and high-status organizations will face greater pressure to conform to their organization-specific identities.

Genres

The approach to understanding forms advocated here resembles the way cultural sociologists understand classification within the realm of art worlds. This approach can perhaps be best seen in DiMaggio's (1987) influential article on the relationship between social organization and artistic systems of classification. It calls for a systematic theory of genre development and differentiation that focuses on the principles by which participants in artistic realms imbue works of art with meaning. He argues that studies of artistic classification cannot simply focus on formal similarities or shared conventions of form or content between works of art, but must take into account the "way that the work of artists is divided up both in the heads and habits of consumers and by the institutions that bound the production and distribution of separate genres" (p. 441). A key challenge is to understand the processes by which audiences come to perceive similarities between artwork and by which meaningful categories, or genres of art, develop.

Becker's (1982) work on art worlds similarly highlights the socially constructed nature of artistic classification systems. According to Becker, the principles used to organize artistic activity and appreciation develop

through the interdependent practices and activities of the participants in an art world. It is through cooperative networks and collective activity that shared and standardized aesthetic classifications emerge and persist. Becker (1982, p. 36) suggests that this approach has significance beyond art worlds:

> One important facet of a sociological analysis of any social world is to see when, where, and how participants draw the lines that distinguish what they want to be taken as characteristic from what is not to be so taken. Art worlds typically devote considerable attention to trying to decide what is and isn't art, what is and isn't their kind of art, and who is and isn't an artist; by observing how an art world makes those distinctions rather than trying to make them ourselves we can understand much of what goes on in that world.

This approach encourages the treatment of category membership as something external to an artwork itself, and which can only be gauged through attention to the various audiences of the work. As the quote from Becker points out, this general approach can be usefully applied to any context to assess meaningful distinctions among social categories. This view clearly meshes with our proposition that meaningful organizational categories must be uncovered through attention to the audiences' valuations of organizations and that sociologically meaningful categories (i.e., forms) are those for which audiences screen and evaluate candidate organizations for satisfaction of standards (codes), and for whom membership affects organizational life chances.

A number of recent organizational studies have focused squarely on audiences when assessing categorical distinctions. Much of this work, perhaps not coincidentally, has focused on cultural industries. For example, in their study of the commercialization of recorded jazz in the early twentieth century, Phillips and Owens (2004) relate the influence cultural elites perceptions and actions exerted on record companies' participation in this art form to the subsequent evolution of the genre. As we noted above, Rao et al. (2003) focus on the codes constructed by gastronomic critics, culinary scholars, and leading chefs to develop a nuanced understanding of the different role identities of chefs practicing nouvelle versus classical French cuisine.

Research has also focused on the codes used by audiences to differentiate and evaluate actors within categories. Hsu and Podolny (2004) study the structure of codes used by critics in evaluating quality for different genres of film. Hsu (2004, 2005) finds that differences in the structure of codes affect the actions of producers as well as critics in choosing to produce or critique in different film genres. Outside of the realm of culture, Zuckerman (1999) has shown that conformity to the categorical distinctions held by industry analysts affects the financial valuations of firms in capital markets, as we discussed above.

Understanding of the processes that give rise to categorical distinctions is clearly central to both the sociology of culture and organization science. The study of form and genre distinctions has developed in similar directions, with a common acknowledgment of the key role of audiences in developing and maintaining meaningful boundaries. Building on this overlap in interests could be productive for both fields. Organization studies can learn much from well-developed conceptions of genre distinctions in art worlds. Cultural sociology can benefit from adopting the formal languages and research procedures developed in organization science.

Dimensionalizing Identities and Forms

The formulation of identity outlined above provides a useful foundation for understanding how forms depend on identities. In this section, we build on this foundation by proposing systematic ways in which forms can be specified and differentiated in terms of identity. Consider a collection of organizations as points in N-dimensional space, with dimensions representing features specified by evaluators as relevant. For example, forms of educational institutions in the United States can be arranged along dimensions such as "grades of students taught," "sources of funding," and "degree of affiliation with religious institutions."

Forms appear to differ in their dimensionality. Some involve evaluation on a few dimensions and others reflect complex (high-dimensional) codes. Complexity versus simplicity in identity has been shown to have important consequences for the perceptions and reactions of evaluative audiences. For example, Zuckerman et al. (2003) find that complex, multivalent identities and simple, generic identities provide different advantages and disadvantages for actors in terms of audience reception. Simplicity eases the problem of gaining attention from audiences because it simplifies the job of building a category, naming it, and coming up with codes to tell what ought to be expected of members of the category. However, having a simple identity (in the eyes of an audience) restricts the range of opportunities available to actors because evaluators are likely to perceive such actors as suitable for a relatively narrow range of legitimate activities. A complex identity, on the other hand, helps an actor to escape these constraints by decreasing the likelihood that audiences form a clear allegiance to any given category and thereby subject the focal organization to tight restrictions on legitimate activity. This increased flexibility, however, comes with a cost. Complexity makes it harder for audiences to perceive enough similarity among organizations to sustain the process of category formation. The lack of an established (codified) category membership lowers an actor's chances of gaining the attention of audiences in the first place.

The relative advantage of establishing a simple versus complex identity presumably depends on individual- or organizational-level factors such as tenure, status, or prestige in a given market. It might also, as Stark (1996) argues, depend on the characteristics of the external environment, especially the level of ambiguity in prevailing institutional logics. An ambiguous context contains an overabundance of organizing guidelines—none of which is clearly more appropriate or legitimate than others. Lacking a single accepted path to take, actors must adopt actions and practices that appear to be consistent with a multitude of logics. In other words, they will attempt to increase diversity in the dimensions evaluators perceive as relevant to their identities. Stark (1996) describes this strategy as a kind of organizational hedging, or identity-portfolio management, in which organizational actors minimize their risk exposure by diversifying their assets in ways that allow them to cross and combine different evaluative principles. Stark argues that organizational actors in postsocialist Hungary accomplished this by manipulating network ties. By establishing diverse and complex interorganizational ownership ties, organizations could regroup their assets across formal organizational boundaries, blurring the lines between enterprises as well as between private and public sectors.

A different, though closely related, issue concerns the variation in the size of the "footprints" of different forms in identity space. Organizations and organizational populations differ in the generality or breadth of their feature characteristics. Therefore, they span different niche widths on identity dimensions. A broad niche indicates a more general identity (on a dimension). If one were to locate different forms of consulting companies along the dimension of "types of services offered," general management consulting companies would occupy a relatively broad span along this dimension. This would be exemplified, perhaps, by a company such as Accenture, which offers advice on managing customer relationships, finance, strategy, information technology, human resource, and supply chains. By comparison, boutique firms that specialize in a focused area of consulting services would occupy a much smaller niche along this dimension. This would be the case for companies such as Mercer, which focuses specifically on developing and implementing human resource programs and policies.

Generalist identities can tolerate greater variance in environmental conditions. Organizations with generalist forms face weaker constraints on the activities they can legitimately pursue (Hannan et al. 2003). In other words, the codes about the range of activities that generalists can and should pursue are less constraining. For example, if Accenture were to choose to branch into a nascent area of consulting, it would risk less devaluation than would a specialized firm such as Mercer. This might be due in part to the fact that Accenture's consultants are thought to have more general and flexible skills, and therefore they can more readily extend themselves to this new, unfamiliar area. It is also likely due to the fact that expectations of Accenture consultants are less developed and therefore constrain their future activities to a lesser degree. The flip side of this argument holds that organizations can attract greater recognition and endorsement from evaluators if they have a more specialized identity.

In addition to simplicity (as measured through the number of dimensions relevant to identity) and specificity (as measured through the niche width of forms along these dimensions), Baron (2004) proposes that strength of identity-based constraints also depends on *sharpness*. This property refers to a form's distance from other forms within identity-space as well as the degree of similarities of the organizations that belong to the form. A form has high sharpness when its members are highly similar to one another and very different from the members of other forms. Greater similarity on key identity dimensions increases the likelihood that a group will be recognized as having a category and form. A high average distance between clusters in identity-space favors the appearance of clear identities and forms and increases the distinctiveness of the forms in evaluators' minds.

The concept of sharpness can be used to explain the differing degrees to which potential organizational forms can emerge as legitimate, established types. McKendrick et al. (2003), for example, find that a lack of sharpness has impeded the ability of disk-array producers to cohere into an established form. Producers of disk arrays come from diverse origin industries, and they often retain their activities within those industries. In the terminology used here, this group of organizations lacks internal homogeneity as well as distance from other forms in identity space. As a result, evaluators apparently have not developed clear codes for validating disk-array producers. The legitimation of this potential form might still occur, however, given the existence of a sufficient number of organizations that derive their primary identities from producing disk arrays. Indeed, this research finds that, as the number of organizations with focused disk-array identities has increased, the legitimation of this form has increased as well.

Certain dimensions appear to be especially powerful in capturing the attention of evaluators. Forms arranged along such dimensions can more easily establish clear and meaningful identities in the eyes of their audiences. Baron identifies two properties that affect the salience of a dimension in shaping audiences' distinctions: *resonance* and *authenticity*. Resonance refers to the extent to which identities "capture or activate powerful distinctions along social, ethnic, religious, economic, political, and cultural lines" (Baron 2004, p. 11). Forms identified along resonant dimensions will appear to embody these (already taken-for-granted) societal distinctions.

Authenticity, in Baron's view, refers to the extent to which a dimension captures a rule-based (as opposed to a consequence-based) logic. Authentic dimensions are those that appeal to broader social and moral expectations for how things *should* work in particular situations (March et al. 2000). Notions of what is appropriate—as opposed to what is most efficient or best serves particular interests—drive such dimensions. For example, in the brewing industry, the dimension of microbrew captures a strong rule-based logic (Carroll and Swaminathan 2000). Microbrewers, who must, according to the specification of the form, employ handcrafted methods on traditional ingredients, are defined in terms of a rule-based logic. They are positioned in direct opposition to major brewers, whose mass-production techniques exemplify their consequence-based logic.

Authenticity has played a large role in the success of microbreweries. Consumers often choose microbrewery products as a form of self-expression or as a reaction against mass production and the dominance of large corporations. The allure of authenticity has also contributed to the development of a strong, tight-knit community of actors devoted to traditional techniques of beer production and to ferreting out those organizational actors who deceptively claim the microbrewer identity.

Resonance and authenticity increase the likelihood of gaining recognition from potential evaluators. It is important to note that this recognition is not always positive, however. By appealing to broader societal distinctions, such dimensions also necessarily become entangled in the longstanding divisions and sentiments associated with such social and cultural understandings. Thus, in increasing their appeal to particular sections of their potential audience, organizations capturing resonant or authentic dimensions at the same time alienate other sections of this audience. The clear association of Brigham Young University (BYU) with The Church of Jesus Christ of Latter-day Saints, for example, has undoubtedly increased the recognition given to this university by both followers and nonfollowers of this church. While appealing to the resonant dimension of religion presumably results in greater endorsement and support by followers of the Mormon faith, many nonfollowers are likely to have been deterred from applying to, associating with, or contributing to BYU.

Resonance and authenticity also likely strengthen an audience's defaults for a form. Although these "stronger" dimensions might bring increased attention and support for members of the form, they constrain the range of activities that organizations can legitimately pursue. As with other properties that affect the strength of form identities, we see fundamental trade-offs in the advantages and disadvantages of resonance and authenticity.

Change in Organizational Identities

Importantly, properties of identities (such as the ones outlined previously) can and do change over time. Careful attention should be given to a population's identity over the duration of its lifespan because shifts in identity can have profound effects on population dynamics. Not all changes in organizational features reflect disruptions in how audiences perceive and think about organizations within a population, however. Indeed, a major attraction of an identity-based approach to forms is that it enables researchers to recognize when changes in population characteristics and boundaries reflect deep changes in the social and cultural standing of the population.

Carroll and Swaminathan (2000) demonstrate the effects of changes in form identities within the American brewing industry. Prior to the 1900s, brewers operated in local markets, using handcrafted methods and traditional ingredients in their production of beer. The industry essentially consisted of a multiplicity of localized populations with the same external identities. Over the course of the next century, however, a new type of brewer emerged, which operated on a national level using industrial methods and recipes that included many additives not culturally sanctioned previously. Mass-production brewers attained dominance by the end of World War II, as industry concentration rose to incredible heights.

In reaction to this consolidation, two new types of brewers emerged in the early 1980s whose identities were positioned in direct opposition to that of the mass producers: microbreweries and brewpubs. These new forms shared a common focus on traditional small-scale, handcrafted methods of beer production. Operators of both forms strategically deployed their form identities, using them to criticize the values of mass productions. They portrayed their firms as "small production organizations that refuse to cut corners in their quest for quality, care about their customers and communities, employ traditional methods and ingredients, and appeal to the most discerning of consumers" (Carroll and Swaminathan 2000, p. 730). Some American consumers found the appeal of the authentic quality and values of craft beer compelling, and organizations within both populations proliferated into the hundreds in little over a decade. The activists in the specialist movement succeeded in creating two highly legitimated forms whose identities differed sharply from the identity of mass brewer. As this account illustrates, identity has played a major role in shifting population dynamics within this industry.

McEvily and Ingram (2004) document identity changes over the history of the population of U.S. food cooperatives. The first cooperatives were founded by European immigrants in the late nineteenth century and reflected cooperative ideals. A key characteristic of their organizational design was member participation in work and decision making. Many cooperatives also operated

without hierarchy among hired workers, allowing them to exercise substantial autonomy in implementing board objectives.

Over time, food co-ops began to deemphasize cooperative ideals and their identities became increasingly centered on natural foods. Organizationally, they adopted some of the characteristics of standard supermarkets such as deemphasizing member work and participation and introducing hierarchy and bureaucracy to govern workers.

However, as large for-profit chains entered the natural-foods niche, co-ops reacted to increased competition through differentiation based on their original identities. Co-ops positioned themselves squarely against the identity of a for-profit chain by emphasizing their cooperative values. They also engaged in collective action efforts, joining federations of co-ops that shared financial data, management expertise, and technological advice, and enjoyed greater economies of scope and scale in purchasing in branding. These hybrid organizations captured many of the competitive benefits of a corporate chain, yet still embodied the cooperative values that had once again become central to the co-op identity. McEvily and Ingram's (2004) findings suggest that form identity can exert a powerful influence on competitive dynamics by constraining the types of competitive strategies organizations can legitimately pursue.

Change in the identities of individual organizations is also a fundamental issue for ecology. Notions of identity played an important part in shaping Hannan and Freeman's (1977) proposition that changes in an organization's core features increase the hazard of organizational failure. In their discussion of the case of the university, Hannan and Freeman held that change in a university's curriculum is likely to encounter great difficulty because the curriculum "represents the core of the university's organizational identity and underlies the distribution of resources across the organization. In these ways, it can be said to lie at the university's 'core'" (1984, p. 156). From the perspective of identity, then, organizational change goes to the core when it challenges a well-established identity.

In their review of recent empirical studies investigating this relationship, Carroll and Hannan (2000, pp. 368–370) find wide diversity in the types of events included under the rubric of core change, including CEO succession, location shifts, changes in legal forms, product additions and changes, and technical innovations. While the majority of these studies support the general proposition that failure rates increase with core change, several studies report strong effects that run contrary to this claim (Kelley and Amburgey 1991, Delacroix and Swaminathan 1991, Haveman 1992). A contributing factor to the lack of uniformity might be differences in the coreness of the features investigated. Consideration of the identity facet of Hannan and Freeman's (1977)

original argument might help in the unification of findings about the significance of coreness in shaping the consequences of change.

Measuring Identity-Based Organizational Forms

Now that we have identified some important properties of identity, the challenge of determining how best to measure such properties looms ahead. Detecting organizational forms by specifying identity requires a fundamental shift in the techniques used to specify forms empirically.

As we noted above, researchers have generally used surface attributes to measure forms, if only because the need to collect retrospective longitudinal data on all members of an organizational population severely limits the kinds of information that can be gathered reliably and exhaustively. Given that existing work generally analyzes data from archival sources covering complete histories of industries, it is not surprising that attention has been directed at changes in technical features such as product change, diversification, and changes in technology that can be observed in industry directories.

Although such distinctions plausibly correspond to salient identities in the minds of members and important outside parties, we argue that this correspondence cannot be established without direct attention to the contemporaneous perceptions and beliefs of relevant evaluators. When measuring the identity of organizations, then, there are two basic issues to be addressed: (1) Whose point of view should be considered when measuring identity? (2) How can the social codes embodied in this point of view be measured?

The choice of point of view can be crucial. Given that different audiences often hold different defaults, gathering identity information from an inappropriate vantage point will introduce error into analyses of the impact of identity and form on organizational and market dynamics. The choice of which evaluators to study must be motivated not only by the availability of information regarding perceptions and beliefs, but more importantly by the research question at hand.

Given the wide diversity that exists in research questions and goals, we do not attempt to lay out specific guidelines as to the choice of audience. Rather, we simply urge researchers to consider whether the proposed audience has significant social or material control over the relevant outcomes or issues. If a study aims to understand how an organization's identity affects the size and characteristics of its labor pool, for example, it would be wise to study identity from the vantage point of a potential job candidate. One could turn to recruitment materials and company career web sites as appropriate sources of information about organizations' labor market identities (Baron 2004). In a similar vein, if one

wants to learn how the attention of key institutional intermediaries (such as critics) shapes market processes, it would be appropriate to turn to sources such as critical reviews and endorsements when attempting to measure perceptions of identity (Hsu 2005). Researchers may form judgments of whether the social approval of the audience has significant impact on relevant outcomes through methods such as extensive inquiry into the research setting, reference to other studies in the theoretical and empirical area, and consultation with industry experts.[6]

Once the choice of an appropriate set of evaluators to study has been made, the challenge of measuring the default codes of these evaluators needs to be addressed. We suggest that researchers deploy two strategies in trying to gauge how contemporaneous actors view the identities of organizations or organizational forms. The first taps default codes indirectly by examining the actions of external actors that pertain to the organizations. The second focuses directly on the perceptions and beliefs of actors through semantic analysis of archival documents.[7]

Empirical research employing the first approach often uses patterns of network ties among organizational actors to infer similarities and differences in identities (DiMaggio 1986). The basic premise here is that organizations with a common identity in the eyes of a particular audience will interact with members of that audience in similar ways. For instance, they can have similar producer-client relationships, endorsement ties, strategic alliances, etc. In network terminology, they are automorphically equivalent. Note that automorphic equivalence is a less restrictive condition than the more widely used notion of structural equivalence, which requires actors to hold identical patterns of ties to the same actors. Basing form membership on structural equivalence would undoubtedly introduce meaningless divisions within identity space (Carroll and Hannan 2000). What matters for understanding and classifying organizations by form identity are the ties to audiences and the ties among audiences—factors that are taken into account through partitioning based on automorphic equivalence. Using this approach, one can uncover the demarcation of different organizational forms and locate the distinct positions of specific organizations in identity space.

Zuckerman's (1999, 2000) research on securities analysts provides a good example of this approach. His work focuses on a setting in which market intermediaries divide their labor such that different specialists track different types of organizations. In such settings, the network of relationships between intermediaries and organizations provides a map of the identity space of the market. For instance, in the stock market, coverage of a stock by auto-industry analysts implies that the analysts regard the firm as an automotive company, while coverage by semiconductor-industry analysts implies that

the firm is coded as a semiconductor firm. Importantly, this research strategy allows one to identify organizations that do not obtain coherent attributions of identity, which reflect situations of social confusion that typically entail negative consequences. For example, a stock that receives coverage from some auto analysts, some semiconductor analysts, and some paper and forests products analysts tends to be more difficult for analysts and investors to evaluate.

Mohr's (1994) use of network analysis to examine the "moral" identities of different categories of social welfare recipients provides another example of this type of approach. His study of welfare recipients in New York City in 1907 measured identity through the eyes of the relief organizations that offered services to these recipients. Similarity in identity was assessed through uncovering similarity in the patterns of services offered to different social categories (soldiers, mothers, unwed mothers, consumptives, etc.). This analysis relied on the assumption that social actors subjected to similar treatment by similar relief organizations are regarded by such organizations as having similar identities in the moral order. Mohr thus indirectly measured the principles driving the classification of the identities of different categories of welfare recipients by observing similarities and differences in the way in which these social identities were treated. Although this research examines social-welfare clients, it can be applied to infer similarities in the identities of organizations. For example, one could measure the identities of nonprofit organizations through the types of assistance and funding awarded by government agencies. Patterns on these dimensions would reveal similarities and differences in the way these organizations are classified in the public eye.

As these two cases illustrate, observing the actions of external actors can provide information from which researchers can usefully infer identity. This general approach can be used to investigate a number of different angles of the identity issue. Zuckerman (1999, 2000) demonstrates that the use of such techniques can uncover variations in the extent to which individual organizations cohere with established beliefs about the identities attached to organizational forms. Mohr's (1994) research offers a method for assessing the similarity of forms in terms of the perceptions and expectations of external actors. Both approaches can be used both to explore the location of meaningful boundaries among forms as well as to test the validity of conventional boundaries available from archival sources used for classifying organizational forms.

Of course, the use of explicit action as an indicator of beliefs is useful only if there is a close correspondence between the two, which is not always the case. Even when indicators correspond with beliefs, more nuanced distinctions might escape discovery in a study of overt actions. An alternative approach to measuring

the identity of organizations and organizational forms focuses on the *language* used by contemporaneous evaluators in discussing organizations to gauge identity codes. Language is an important medium through which beliefs get established and reified (Berger and Luckman 1966; Edelman 1977; Carley 1986a, b; Swidler 1986; Franzosi 1990). By examining how evaluators describe and compare organizations, researchers can potentially infer the fundamental premises and rules guiding evaluators' perceptions, expectations, and actions toward different types of organizations. This approach can yield a more refined understanding of classification schemes. It also provides a useful way to trace beliefs of relevant evaluators as an organization or organizational form evolves, allowing researchers to better track how cultural codes and system boundaries have changed over time.

In recent years, there has been increased interest in developing semantic-based methods for assessing the identity of organizational forms. Ruef (2000) has developed an approach for identifying the primary dimensions underlying form distinctions among a community of organizations. Using articles from professional journals and proceedings within the health-services domain, he extracted symbols that pertain to diverse organizational forms. Ruef then used latent semantic analysis to assess relationships among symbols in health-services discourse and to identify the independent principal components that capture the essential differences among symbols. In this way, he uncovered the primary dimensions underlying the "identity space" of healthcare organizations, as well as the locations of specific form identities within this multidimensional space.

Ruef (2000) used this information to explore how the distribution of organizations in identity space affects the emergence of new organizational forms. Analyzing the locations of 48 organizational forms in the health-services domain, Ruef finds that the probability of form emergence within a region of identity space increases with the aggregate size and density of organizations of other forms in the region. As aggregate size and density increase beyond a certain point, however, competitive pressures overtake the benefits of cross-form legitimation, decreasing the probability that a new form appears within a region of identity space.

A different approach for using semantic-based techniques to uncover the beliefs of relevant evaluators has been developed by Hsu and Podolny (2005; also see Hsu 2005). This methodology focuses on how beliefs about social categories are organized in the minds of relevant actors. The organizational properties of these beliefs can be gleaned from discourse about the members of the categories of interest. Using cluster analytic techniques, Hsu and Podolny grouped the words used to describe and evaluate category members in terms of semantic similarity. They then developed a "cluster

profile" for each evaluative schema: an overall assessment of the clustering technique's ability to represent the structure of the partitioned schema at a low versus a higher number of clusters.

The relative positioning of schemas (based on their cluster profiles) can be used to infer the structure that underlies a set of schemas. Using data from film reviews in *The New York Times* and *Variety* from 1946 to 1982, they compared the schemas elaborated by film critics for different genres of films. In a separate study focusing on the U.S. feature film industry from 1992 to 2001, Hsu (2004) demonstrated that differences in the structural properties of the schemas held by critics for different market categories shape the sorting of producers across categories.

The structure of a set of categorical schemas affects the allocation of critics' attention (Hsu 2005). Because critics need to establish and justify their status as nonpartisan experts, they exhibit a bias toward evaluating those market categories for which they have developed clear and structured schemas for evaluation. In such arenas, they can better justify the validity of their evaluations and thus their contribution to the market at large. Therefore, products or producers that fit such easy-to-comprehend categories are significantly more likely to gain critical coverage. This finding has potentially important implications for organizational legitimacy because organizational categories that receive greater coverage from critics will be more salient to market actors and more likely to be regarded as legitimate and established areas of the market. Hsu's (2005) study is similar to Zuckerman's (1999, 2000) work on capital markets in that both focus on the role of market intermediaries' belief systems in legitimation processes. However, while Zuckerman is mainly concerned with the extent to which firms fit within already legitimated categories and implications for valuations, the primary concern of Hsu's study is the differential legitimation of categories—how do certain categories in the market come to earn greater recognition and legitimacy relative to others?

While Hsu and Podolny (2005) focus on the schemas used to evaluate product offerings, their methodology can clearly be extended to explore the schemas that audiences hold for different forms. By analyzing the discourse used by relevant evaluators in describing particular organizational forms, researchers can assess the structure of the social rules applied to organizational actors. This information could be used, for example, to understand how the structure of social rules affects the way in which organizations get punished for particular rule violations. A more developed and clear-cut set of default rules should produce a greater devaluation if violations are uncovered. This is because clarity in expectations or rules should lead to sharp disappointment when those expectations are not met.

The approaches designed by Ruef (2000) and by Hsu and Podolny (2005) provide complementary information about the defaults underlying form identities. Ruef's approach identifies the primary dimensions along which organization and form identities are distinguished. Hsu and Podolny's approach assesses the structure that underlies these dimensions. Both the content and the structure of these classification systems can be used to explore how identity codes affect community-level dynamics such as the emergence of new forms and competitive dynamics among organizational populations.

Another potential method for tapping forms with semantic-based techniques comes from work within film studies. This approach focuses on the labels used to categorize classes of objects; and it views the development of categories as a process reflected and reified through the difference in the labels assigned to objects over time. Altman's (1999) treatment of the development of the film genre "musical" provides a clear illustration. When the earliest sound films showcasing the music performances were produced in Hollywood in the late 1920s, the genre "musical" did not yet exist. Instead, those sound films later recognized as the earliest examples of musicals were, at the time, identified in terms of their generic affinities. The presence of sound was regarded as simply a different way of presenting narrative material. As a result, the term "musical" was not used as a noun indicating the presence of a reified category, but as a descriptor, modifying other already established genre categories such as comedy, romance, and drama. However, as the number of films built around musical performances grew large, the term "musical" eventually became a freestanding noun. Its progression from adjective to noun reflects the progression from a subgenre of other established genres to a genre in and of itself.

This work highlights the fact that categories, including those pertaining to organizations, are generally not taken for granted as such during their earliest years. Most contemporary research on the evolution of organizational populations traces the history of populations back to the appearance of the first known entity that satisfies a particular code. At this point, however, recognition among audiences of a distinct population or form is likely to be weak or nonexistent. Extending a population's history back to the arrival of pioneers without acknowledging the ambiguous status of populations in early periods likely yields an oversimplified understanding of legitimation processes.

Attention to trends in the presence and kinds of labels used to describe organizations could provide a richer understanding of the process by which organizational categories achieve the status of forms. Attaching a label to a set of organizations can be a crucial step in crystallizing observation of a high degree of similarity among a set of organizations. The appearance of distinct adjectives qualifying the existence of a set of organizations as

well as the transition of labels from adjectives to nouns could prove particularly important in legitimating organizational categories.

This label-based approach addresses the challenge of measuring organizational identity in a way that complements the dimensional approaches. While the first approach provides a general method for understanding the existence of form distinctions, the second approach provides a way to assess how these distinctions are employed and can be used to measure the degree to which such distinctions have been institutionalized.

Future Directions

We have outlined these various methods for measuring identity as suggestions for empirical bases for conceptualizing and identifying organizational forms as types of identities. We believe these and similar methods will prove to be extremely useful in deepening our understanding of how social, cognitive, and institutional factors shape the dynamics of the creation and destruction of forms and legitimation and competition processes among organizational populations. To complement this discussion, we highlight in this last section a number of research questions revolving around three core issues: (1) the emergence of identities, (2) the persistence of identities, and (3) strategic trade-offs among different types of identities.

To better understand sources of variation and homogeneity of organizational forms, we need to learn more about how organizational identities develop. What affects the likelihood that an organization (or population of organizations) can establish a distinct identity in the eyes of its audiences? Researchers ought to examine both the micro-level and the macro-level phenomena that influence the clarity of organizational identity. For example, what actions, beliefs and characteristics of leaders promote clear organizational identities? It is likely that organizational leaders, particularly early on in an organization's life span, can strongly influence an organization's distinctive identity. Researchers should also look to macro-level factors such as an organization's status or pattern of external ties as factors that promote or hinder the promotion of a clear organization-specific identity.

At the form level, factors such as geographical proximity, network ties, and labor mobility presumably affect the extent to which both insiders and outsiders recognize strong similarities among set of organizations and do to the troubling of constructing a category. And, as Ruef's (2000) research demonstrates, it is also illuminating to examine the positioning of identities (relative to those of existing form identities) in a community in understanding the dynamic that underlie the rise of novel organizational forms.

Research on properties of markets and social environments that encourage or discourage the rise of new

identities would be especially valuable for understanding large-scale dynamics. What social conditions affect the rates at which new organizational forms arise? For example, environments beset by considerable unrest and turbulence provides ample opportunity for new forms of organizations to arise. Likewise, the coexistence of multiple logics of practice and organization might encourage audiences to notice new types of organizations (Scott et al. 2000, Stark 1996). Investigating the bases for diversity in organizational identities is important given the considerable amount of theoretical attention that has been given to pressures toward conformity in both ecological and neoinstitutional literature. Given such pressures toward conformity, how does diversity in forms persist? How do organizational actors negotiate the need to demonstrate conformity with legitimate organizational identities while establishing a clear, distinctive identity?

Answers to these questions can be pursued fruitfully at the level of the various properties of identity discussed in preceding sections. For example, what actions, patterns of external ties, characteristics of leaders, and so forth promote a sense of authenticity of identity? What claim-making activities do organizations engage in to promote a complex identity? And what enables a population of organizations to create a sharp form identity? Clearly, we have much to learn about the activities and social conditions that allow for particular properties of identity to become recognized and coded by audiences.

A second set of questions concerns the persistence of organizational identities. Social codes can change over time. Form (and population) specifications, therefore, can also vary over time. In the previous section, we proposed some ways that researchers might capture changes in identity by using methods that analyze the assessments of social codes by members of the audience(s) during the periods in which categories emerge. However, more than developing methods for measuring changes in social codes, it is important to understand variations in the persistence of codes.

Certain dimensions of identity seem especially relevant for understanding variation in the persistence of identities. Identities that map onto culturally resonant or authentic dimensions should be more persistent because change along such dimensions will bring particularly sharp sanctions from audiences. Simple identities might prove to be more persistent than complex identities. Organizations with complex identities must work to maintain a greater number of different facets of their identity while sustaining the attention and endorsement of their evaluative audience(s). And, as we suggested earlier, institutionally consolidated identities should be more persistent because any attempts at change will be judged in the same way by all audiences and will result in particularly sharp devaluations. Given the detrimental effects of organizational change, we think it would seem to be extremely useful to explore the

relationship between these various properties and identity persistence.

Another important class of issues for future investigation relates to the properties of markets and social environments that shape the strategic trade-offs among dimensions such as simplicity, specificity, sharpness, resonance, and authenticity. When does it prove advantageous to develop a sharp and focused identity versus an identity that is complex in that different constituencies see different facets but cannot see through to others? What conditions make the adoption of an identity that falls along culturally resonant or authentic dimensions more or less advantageous for organizational success? And, importantly, how do the answers to these questions depend on the degree to which various evaluating constituencies differ in the dimensions used in evaluating organizations? Future studies of the strategic trade-offs of different dimensions in different types of environments are clearly needed for a more developed understanding of the dynamics underlying competition, both at the organization and the population level.

Conclusion

The concept of organizational form plays a central role in theories of organizational ecology. Yet, while organizational ecology has flourished in the past 25 years, the fundamental notion of the form remains elusive. No generally accepted definition of organizational form has emerged. Current work continues to refer to initial formulations that spelled out only partial definitions (e.g., Hannan and Freeman 1977, 1984). This is problematic because the value of ecological research depends heavily on whether the forms (and corresponding populations) studied represent instances of meaningful social units. The comparability of ecological research is limited by inconsistencies in the specification of population boundaries.

In this paper, we have argued that forms ought to be defined in terms of social identities. A crucial starting point for this is the proposition that organizational identity consists of a set of codes held by audiences specifying the features that an organization is expected to possess (Pólos et al. 2002). Identity thus inheres in the default expectations held by audiences, both external and internal to an organization.

Organizational forms represent a specific kind of collective organizational identity. Forms, or sociologically real categories, are those for which membership matters in the sense that an audience screens organizations for conformity with standards before conferring the status of a valid member of the category. Once an organization has been validated as a member of a form, the audience continues to apply the membership standard to it—but now as a default. Membership in forms thus constitutes part of an organization's identity. This treatment of the

form concept corresponds to the sociological notion of forms as having a taken-for-granted status.

We believe that this formulation of identity provides a useful foundation for understanding how forms depend on identities. To invite consideration of systematic ways in which forms may be specified and differentiated in terms of identity, we have discussed properties such as simplicity, specificity, sharpness, resonance, and authenticity and their potential impact on key organizational dynamics. We have also discussed potential methods for measuring such identity-based properties.

We conclude by noting that this proposed shift in focus within ecology research will undoubtedly encounter resistance. As is often the case with core concepts, analysts have been comfortable with an intuitive understanding, confident that they can recognize a form when they see one. In addition, it has often been noted that one of most attractive attributes of ecology is its clarity—its clearly established theoretical core and high precision in methodologies and measures. The existence of this clarity has allowed for a deep and careful accumulation of knowledge. Many are likely to be concerned that increased emphasis on tacit and elusive properties of organizations will weaken the strongly consolidated status of this tradition.

We believe that this concern overlooks the promise of a clear definition of this fundamental notion. Assumptions and working definitions have often differed—and sometimes conflicted—across studies. The price paid is increasing difficulty in discerning the theoretical implications of empirical work. It is our hope that by revisiting the notion of the form, ecologists will pave the way for deeper understanding of organizational dynamics and greater consolidation of this body of knowledge.

Acknowledgments

Endnotes
[1]Organizational ecologists do not assume that selection consistently favors the most efficient organizations. They assume that selection operates on multiple dimensions, including cultural fit and political standing, and is characterized by strong path dependence (Carroll and Harrison 1994).

[2]See Carroll and Hannan (2000), Chapters 5–8 for details.

[3]It is not uncommon to encounter the reaction that such "fringe" organizations can safely be ignored because they collectively contribute little to an industry's output or employment. This view overlooks an important consideration. Most currently dominant firms began as fringe firms. If one takes a long view and pays attention only to those organizations that manage to move from fringe to center, problems of sample selectivity become massive.

[4]In this perspective, "identity" is often contrasted with "image," which refers to what organizational insiders believe is core to outsiders' view of their organization.

[5]Fiske and Taylor (1991) and Kunda (1999) provide reviews.

[6]Of course, once this determination has been made, practical criteria for selection of source data for ecological research must also be considered. In particular, Carroll and Hannan (2000, pp. 164–167) identify four dimensions for evaluating the coverage and content of sources: (1) the extensiveness of organizational coverage, (2) the quality of temporal coverage, (3) precision in timing information, and (4) accuracy of organization-specific information.

[7]Another strategy employed in organizational research to directly access actors' beliefs regarding organizational identities taps industry respondents directly through interviews or surveys for identity assessments. Porac et al. (1995) use this approach to understand the core attributes differentiating organizations within the Scottish knitware industry. Because our focus is on methods facilitating measurement of changes in form and organizational identities over a substantial period of time, we do not describe this method in detail here.

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