

Structure at Work: The Division of Labor in U.S. Wineries

Heather A. Haveman

University of California at Berkeley
Department of Sociology
410 Barrows Hall
Berkeley, CA 94720-1980
haveman@berkeley.edu 510-642-3495

Anand Swaminathan

Emory University
Goizueta School of Business
1300 Clifton Road
Atlanta, GA 30322
aswaminathan@emory.edu 404-727-2306

Eric B. Johnson

Columbia University
Department of Sociology
413 Fayerweather Hall
New York, NY 10027
ebj2001@columbia.edu 212-854-4680

Where does organizational structure come from? There are two answers to this question. The first is that organizational structure is determined by *internal requirements*, notably the scale, scope, and complexity of organizational activities; the degree of uncertainty in administrative, production, or distribution technologies; the nature of the people who work in organizations; and organizational history. The second answer is that organizational structure is determined by *external factors* such as organizational interdependencies, the actions of other similar organizations, cultural sources of institutionalized rules, and demands for accountability. In this paper, we take research on organizational structure in a new direction by refocusing attention on the *intersection of the internal and external* – that is, on organizational forms and the identities they convey to external observers. {2-3 example references for each}

As identities, organizational forms become established as expectations on the part of observers, both internal and external, about what organizations ought to be and do, and what they ought not to be or do. We contend that these expectations, especially those of external observers,

mediate the impact of internal requirements. By this, we mean both that internal requirements become more or less salient, depending on external observers' expectations, and that the meaning of internal requirements – what they actually require (or seem to require) organizations to be and do – depends on external observers' expectations. We focus on two sources of external expectations: the socially coded identities of organizations, and the structures of other salient organizations. This refocusing of attention requires a shift in level at which causal forces play out, from the individual organization to the collection of organizations that present a common identity to external observers and therefore share a common form.

We are especially interested in studying the structure of organizations' tasks, as represented by the jobs their employees do. We study *job titles* because these are relatively easy to observe and because they are significant and influential labels that have real social and economic consequences. For workers, job titles signal status and serve as prominent markers of identity. For employing organizations, job titles signal their similarity to other organizations that use similar titles and their distinctiveness from organizations that use different titles. Systems of job titles constitute an “organizational language” (Meyer and Rowan, 1977:349), and “speaking” this language signals employing organizations' conformity with prevailing norms. Having structures, including job structures, that meet the expectations of external observers not only brings organizations legitimacy, it also brings resources, stability, and survival (Meyer and Rowan, 1977). For instance, the use of standard job titles and the existence of the expected set of distinct hierarchical ranks can facilitate the recruiting and retention of scarce talent because these are what prospective employees have come to expect and value.

Our analysis begins by assessing the extent to which tasks are finely or coarsely divided into distinct jobs. Concretely, the division of labor in employing organizations is observed in the number of distinct job titles, the number of detailed functional areas delineated by job titles, and the number of levels of hierarchy. It is especially important to understand the conditions under which a wide, rather than narrow, set of jobs develops (Hannan, 1988; Hedström, 1991; Greve, 1994). The more varied the set of jobs, the more likely many different kinds of workers,

including women and members of racial or ethnic minorities, will find a job that suits their particular talents and personal goals. The better the fit between workers and jobs, the less inequality in socioeconomic attainment will result. Moreover, a wider array of jobs can be combined to create a more varied set of job ladders and thus a wider array of career paths. This more macroscopic dimension of job structures intensifies the impact of job variety on equality of socioeconomic attainment: when more distinct career paths are available, it is easier for disadvantaged workers like women and members of racial/ethnic minorities to advance. After assessing the variety of organizations' job structures, we delve into the content of job structures, in particular, the kinds of job titles used to describe workers in two general functions: marketing/sales and production. Again, we connect job-title patterns to organizational form and identity.

Our research site is the wine industry in the United States in the past 60 years. Not only is this a large and growing industry, it is also both highly institutionalized and tightly constrained by technical considerations. The production and sale of wine and other alcoholic beverages in the United States is scrutinized closely by federal and state authorities, and has often been contested over course of the nation's history, from the time of the first temperance associations in the early nineteenth century to recent rulings on the interstate distribution of wine. At the same time, wineries must submit to basic technological considerations ranging from the prosaic concerns common to all agriculture-based ventures (variations in soil, sunlight, temperature, water, and pests) to inherent limitations in the ancient but often poorly understood process of fermenting fruit into alcohol.