Iconization, sacralization and the institutionalization of competing logics

Grégoire Croidieu and Philippe Monin
EM Lyon

croidieu@em-lyon.com
monin@em-lyon.com

Organizational fields are increasingly depicted as contested and fragmented by multiple competing logics (Friedland and Alford, 1991; Hoffman, 1999; Schneiberg and Soule, 2005; Marquis and Lounsbury, 2007). Most empirical accounts report institutional change as a shift from one dominant logic to another (see for instance Lounsbury, 2002; Thornton, 2002). This process unfolds either through the progressive domination of one logic over one, or several peripheral logics (Rao, Monin, Durand, 2003; Greenwood, Suddaby, Hinings, 2002; Thornton and Ocasio, 1999 to name a few), or through the hybridization of coexisting logics (Nelson, 2005, Haveman and Rao, 1997). The conflicts between logics disappear once the shift is over and lead to a consensus (Clemens, 1993), a truce (Suddaby and Greenwood, 2005), or a settlement (Armstrong, 2005; Schneiberg and Soule, 2005; Colyvas, 2007). So defined, conflicts between logics are transitory states between periods of institutional persistence and stability.

Taken together, these studies provide an overall picture that stands in sharp contrast with the view that institutions connote stability and persistence. Strikingly, while persistence is a key mechanism of institutionalization (Colyvas and Powell, 2006; Tolbert and Zucker, 1996; Zucker, 1977), very little work has been devoted to examine institutional persistence and its underlying mechanisms (Scott, 2001:109-114), not to say persistence of competition between institutional logics. Only recent contributions by Lounsbury (2007), Marquis and Lounsbury (2007) and Thornton, Jones and Kury (2005) have started to examine lasting conflicts between competing logics.

In this paper, we develop an extended theory of institutionalization that unfolds in four stages: local deviation, theory, local sacralization and secular religion. The first two stages are well studied and include theorization and/or translation and diffusion as institutionalization processes (Greenwood, Suddaby and Hinings, 2002; Strang and Meyer, 1993; Strang and Soule, 1998; Suddaby and Greenwood, 2005; Zilber, 2006). The last two stages: *local sacralization* and *secular religion* are less studied. The process of *iconization* transforms theory into *local sacredness* and is subdivided into sub-processes of *hunt, collection and enshrinement*, and

authentification through quintessence. The process of *sacralization* transforms *local sacredness* into *secular religion* and through *normative control*. Iconization and sacralization extend extant institutionalization models.

Sacralization as a word stems from the religious vocabulary and is broadly defined as rendering something sacred, being thus opposed to the profane (Durkheim, 1912; Eliade, 1965). In the context of management and organization, sacralization keeps the same meaning (Ashforth and Vaidyanath 2002; Belk, Wallendorf, and Sherry, 1989). The difference is to be found in what is sacred. Traditionally, the religious domain is sacred and separated from other social domains, defined as profane and secular. Following what was reported as the disenchantment of the world, as Belk, Wallendorf and Sherry (1989:8) noted: "Changes in contemporary life indicate that the sacred/profane distinction is no longer isomorphic with the religious/secular distinction" due to a gradual secularization of the religion, and a gradual sacralization of the secular. Following this line of inquiry, we argue that the sacralization of institutional logics, that is to say the beliefs and the related practices that furnish guidelines for action (Friedland and Alford, 1991, Scott, 2001), enables them to persist over time, even if they are heavily challenged. In brief, whether the competing logics have reached a state of local sacredness - not to say of secular religion - or not, explains whether they will last or whether the conflict will be resolved*: iconization and sacralization as institutionalization processes determine persistence.*

The history of the wine field provides an adequate empirical setting to examine our arguments. We build on historical works and multidisciplinary studies to construct this case study following an historical analysis methodology (see Schneiberg and Clemens, 2006). The wine industry since the early XVIIth Century has turned its attention toward the production of quality (Johnson, 1990). Aside the Judeo-Christian religious logic, two competing logics have emerged as predominant organizing principles to produce quality: the Terroir Logic according to which wine reflects the variability of natural conditions, and the Brand Logic according to which wine reflects the struggle against the inconsistency of natural conditions. Until 1945, the competition was characterized by little technological advancement and governed as a consequence by natural endowments and geographical embeddedness. Quality was about discarding the fraudulent products and ensuring the authenticity of these products. After 1945, with the rise of independent critics and the diffusion of regulations stabilizing the controversies about fraudulent wines, competition over quality became about the intrinsic organoleptic qualities of the product. In a context of accelerated technological progress, the natural constrains on fine wine production became less impactful. Thanks to science, consistency and typicity were not antinomic anymore. Thanks to globalization, technical innovations and savoir-faire traveled and diffused worldwide.

As a consequence, *theoretically,* the Brand Logic should dominate the wine industry, or hybridization should occur. However, the Terroir Logic and the Religious Logic have been persisting with little, if any hybridization. We examine various sources of data and multiple cases and conclude that (1) the Terroir Logic is being sacralized, (2) the Brand Logic is being iconed, and (3) that the Religious Logic is being re-sacralized, hence explaining the persistence of competing logics in this field.

The paper is built as follows. In the first section, we sketch the extended institutionalization model. In the second section, we introduce the research design. The third section presents the historical emergence of the three competing logics, then details typical cases of iconization and sacralization, and finally revisits published works in the wine field with our framework. We draw the implications of our theoretical arguments in the fourth section.