
*Fred's Bank: How Institutional
Norms and Individual Preferences
Legitimate Organizational Names*

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You have to have a command of the English language or you're just nowhere. I mean like . . . say you get out of college or whatever . . . you're gonna go into business, you're gonna open a bank just for an example. You've got to give it the right name. It's gotta be something big and strong like "Security First Trust and Federal Reserve." And you have to name a bank that because nobody's gonna put their money in "Fred's Bank." "Hi, I'm Fred, I have a bank. You got \$1,500? . . . ahhh, I'll put it here . . . in my white suit."

—Steve Martin (Philosophy)

Steve Martin's comedic stand-up cited in the opening extract alerts us to how organizational names can serve as wellsprings of legitimacy. Martin's insights resonate with the core tenet of institutional theory, that is, that isomorphism legitimates. As institutionalists have demonstrated, organizations whose names, symbols, and artifacts conform to prevailing normative practices tend to be seen as more comprehensible and thus more legitimate (Glynn & Abzug, 2002). As Martin suggests, "Security First Trust and Federal Reserve" connotes credibility, but "Fred's Bank" arouses such suspicion that "nobody's gonna put their money in [there]." Thus, the names by which we christen organizations serve both as touchstones for legitimacy (Glynn & Abzug, 2002) and as cues that guide individuals' perceptions about an institution, thereby functioning like other organizational artifacts (Pratt & Rafaeli, 2001).

In this chapter, we empirically investigate how institutional norms and individual differences interact to affect individuals' perceptions of, and preferences for, organizational names. Broadly speaking, we take up the question of how symbolic isomorphism, the institutional conformity that confers legitimacy, may be affected by differences in individual preferences. We explore how individual differences in the receptivity to institutional isomorphism affect their understanding and choices of names. Our core research questions are: Do individuals have preferences about how closely organizational artifacts should match their institutional environment? And, do such preferences affect individuals' perceptions of, and preferences for, organizational names?

That the legitimacy conferred by institutionalization in organizational artifacts, such as names, may be subject to individual variations is suggested by Rafaeli and Worline (2000) in their statement that "people's interpretations of symbols may differ" (p. 74). We investigate whether there are variations in individuals' understandings of, and preferences for, certain organizational symbols over others with regard to the artifacts' visible social fitness. Artifacts have a very emotional character that relates individuals to institutions (e.g., Pratt & Rafaeli, 2001; Rafaeli & Vilnai-Yavetz, 2003), arousing latent processes of sensemaking and interpretation by the individuals who apperceive them. Perhaps for some individuals, in some neighborhoods, Fred's Bank is appealing; one might imagine it to be the name of a local loan shark (who substitutes for "Security First Trust and Federal Reserve") or a nickname that signifies the generosity of a favorite uncle (Fred). Thus, names may resonate with personal meanings above and beyond those derived from the institutional environment.

A useful illustration of these dynamics is provided by the baby names chosen by parents. Such children's names are "one of the rare measures of collective taste" (Orenstein, 2003, p. 28). As in other matters of style, institutionalized trends create a sort of "fashion quotient" that breeds names that are considered traditional or classic; however, "names generally rise and fall independent of larger cultural or historical events" (Lieberson, quoted in Orenstein, 2003, p. 28). Thus, as much as names may reflect cultural trends and fashion trajectories (Lieberson, Dumais, & Baumann, 2000), they may also reflect a need to make a personal statement (citing Sartran, in Orenstein, 2003) or be distinctive, to differentiate one's child from others. Thus, we see symbols, such as names, as subject to a dual set of influences, one driving toward conformity, and the legitimacy it confers, and the other, toward distinctiveness, and the uniqueness it confers. We examine both sets of influences for their effects on individuals' perceptions of organizational names.

Our research contributes to the literatures that focus on organizational artifacts as important markers of organizational identity as well as that focusing on institutional dynamics. To the former, we build on theories that have delineated how organizational artifacts symbolize organizational culture and meaning (Rafaeli & Worline, 2000) and relate individuals emotionally and cognitively to the organization (e.g., Pratt & Rafaeli, 2001; Rafaeli & Vilnai-Yavetz, 2003). Furthermore, we expand this perspective to locate artifacts within the broader cultural and institutional environment that gives them meaning. To do this, we focus on the symbolic realm of organizational names.

Taking Pratt and Rafaeli's (2001) notion of "symbols as language" seriously, we examine the case when symbol *is* language, that is, the organization's name. And, complementing studies that assess individuals' reactions to artifacts, we assess how individuals understand artifacts in the context of institutional norms that locate organizations within that normative environment through naming practices. Essentially, we bring these perspectives on artifacts to the macrolevel institutional environment, as a source of meaning to which individuals respond.

As well, we seek to contribute to institutional theory. Suchman (1995b) clearly indicates that "legitimacy is a *perception* or *assumption* in that it represents a reaction of observers to the organization as they see it; thus, legitimacy is possessed objectively, yet created subjectively" (p. 574). And yet, institutional theory has tended to overlook the subjective and social constructionist role of individual perception in legitimating organizations. We extend the reach of institutionalism to the microlevel, by examining individual variations in responsiveness to symbolic isomorphism (Glynn & Abzug, 2002). Institutionalists seem to have assumed that individuals universally perceive conformity as legitimating; we investigate this generalization by examining how individuals with different beliefs and preferences about the value of symbolic conformity react to different names. We ask: Do individuals vary in their preference for institutional conformity in symbolic artifacts, and does such variance affect their perceptions of organizations?

We explore these questions in a survey designed to assess how institutional norms and individual differences affect individuals' comprehension of, and choices about, naming organizations. We begin by theorizing names as artifacts and develop hypotheses about the influences of institutional and individual factors on individuals' perceptions of, and preferences for, organizational names. Our findings speak to how organizational artifacts are embedded in both institutional realms of meaning but also subject to individual differences in naming preferences. Thus, we locate the study of artifacts at both macro- and micro-

levels of meaning. We start by exploring how organizational names function as artifacts.

THEORIZING ORGANIZATIONAL NAMES AS ARTIFACTS

We focus on names as important organizational artifacts because they signify categories of meaning (Brown, 1958), sorting organizations into equivalent and nonequivalent sets, for example, "Security First Trust and Federal Reserve" versus "Fred's Bank." In encountering an organization for the first time, we ask: What kind of organization is this? We answer by interpreting the cultural artifact—the organization's name—that is before us, and sorting it into the appropriate category (e.g., legitimate banks or illegitimate banks).

Organizational symbols and artifacts cue meanings, helping the perceiver to socially construct the nature of the organization as well as his or her relationship to it (Pratt & Rafaeli, 2001). The primary linguistic conduit for this is labeling or naming. Names are organizational claims about an organization's identity that locate an organization in institutional space, as a member of an organizational field (a bank, e.g.), and cue its distinctiveness for quality, service, or products (e.g., strength and security) (Glynn & Abzug, 1998). Thus, names serve as organizational artifacts that classify organizations into fields and distinctively mark an organization's identity attributes, such as quality and service. As one organization proclaims, "Best Chairs Inc: Our name says it all," explaining that "At Best Chairs, Inc., we combine the BEST Quality chairs, with the BEST Prices. Pride and dedication are evident in everything we make" (www.bestchairs.com). We examine these two features of names as artifacts: first, their institutional embeddedness, and second, their service as markers of organizational identity attributes.

Organizational Names as Institutional Artifacts

Organizational names, like other organizational symbols, are subject to isomorphic pressures at the field level (Glynn & Abzug, 2002). Such institutional pressures can affect the names that organizations choose; for instance: "I just took Coca-Cola as a name similar to other advertising names . . ." (Frank Robinson, circa 1900, from *The World of Coca-Cola*).

Institutional theories suggest that language plays a critical role in shaping organizational symbols (Hirsch, 1986; Meyer & Rowan, 1977). Meyer and Rowan emphasized the importance of organizational language in creating categories of meaning. The institutional environment, consisting of the social, political, legal, competitive, market, and other forces that em-

bed firm behavior, offers a portfolio of linguistic practices that are often *theorized* by relevant and authoritative actors (Strang & Meyer, 1994). This process of theorizing provides explanations and accounts to support specific institutionalized behaviors, routines, and symbols, which are themselves legitimate. Isomorphism with the symbols authorized by the institutional environment secures legitimacy and comprehensibility for the organization (Glynn & Abzug, 2002).

An institutional perspective on organizational names alerts us to how the institutional context shapes naming practices and their understanding. As Mohr (1998) points out, cultural meanings are built out of structures of differentiation; patterns of relationships define and link various organizational elements. Names identify organizations, voicing their claim on a specific region of institutional space; for instance, a name like First National Bank is a firm's claim of membership in the category of banks or the field of the banking industry. By choosing names that are symbolically isomorphic, that is, names that conform to the constitutive rules that define an organizational field or industry (Glynn & Abzug, 2002), organizations locate themselves within institutional contexts that lend them comprehensibility and legitimacy.

Legitimacy, defined by M. C. Suchman (1995b), is "a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs and definitions" (p. 574). The extent to which conformity is clear and transparent should render organizations legitimate. And, in turn, legitimacy yields organizations that are "more meaningful, more predictable, and more *trustworthy*" (M. C. Suchman, 1995b, p. 575), signaling that it's just the kind of place where you'd feel comfortable putting your money (or Steve Martin's!).

Organizations that seek legitimacy through institutional conformity adopt artifacts and names that signal social fitness (Glynn & Abzug, 2002). Firms embed cues in their names so that an audience can easily apperceive their cultural appropriateness, typically by advertising their membership in institutional fields. Thus, names tend to conform to industry naming practices and patterns (Glynn & Abzug, 2002); in turn, such conformity should be easily readable by an interested audience. M. C. Suchman (1995b) argues that "not all explanations are equally viable: To provide legitimacy, an account must mesh both with larger belief systems *and* with the experienced reality of the audience's daily life" (p. 582). Thus, organizations' claims on legitimacy will succeed to the extent that audience members can access such cultural accounts *and* believe that those cultural accounts signify legitimacy.

Following this logic, we propose that organizational attempts at cultural alignment with sanctioned institutionalized practices will succeed

in garnering legitimacy to the extent that individuals believe those accounts to be important. In other words, individuals who believe that names like "Security First Trust and Federal Reserve" signal trustworthiness will find such a name more comprehensible and more legitimate. Conversely, individuals who do not associate legitimacy with institutional conformity will, instead, disregard cues that suggest institutional conformity. Conceptualizing organizational names as institutional artifacts, we hypothesize the following.

Hypothesis 1 (H1). Individuals' beliefs about the function of organizational names will influence their accuracy in assessing a firm's institutional identity.

- *Hypothesis 1a (H1a):* Individuals who believe that an organization's name functions as a legitimating artifact by its conformity to institutional norms will be more attentive to connotations embedded in the firm's name and thus be more accurate in assessing the firm's institutional identity.
- *Hypothesis 1b (H1b):* Individuals who believe that an organization's name functions as a marker of a firm's distinctive identity will be less attentive to institutional connotations embedded in the name and thus be less accurate in assessing a firm's institutional identity.

Organizational Names and Perceived Identity

Viewing names as institutional artifacts stops short of fully capturing how meaning is embedded in organizational monikers. Apart from institutionally derived connotations, names are clearly subject to variations in individuals' perceptions. As Humpty Dumpty happily explains to Alice in Wonderland:

"... But tell me your name and your business."

"My name is Alice, but ..."

"It's a stupid name enough!" Humpty Dumpty interrupted impatiently.

"What does it mean?"

"Must a name mean something?" Alice asked doubtfully.

"Of course it must," Humpty Dumpty said with a short laugh. "My name means the shape I am—and a good, handsome shape it is, too. With a name like yours, you might be any shape, almost." (Lewis Carroll, *Through the Looking Glass*)

Although names can locate organizations in institutional realms of meaning, they can also imbue it with other identifying attributes, signal-

ing, for instance, the firm's quality, price, or service (Glynn & Abzug, 1998) or a nursing unit's cultural assumptions (Rafaeli & Worline, 2000). With a name like *Best Chairs*, an organization clearly marks its quality orientation. By contrast, the furniture store moniker, *Innovations*, might, as Humpty Dumpty says, "be any shape, almost." Ambiguous names tend to be less useful as identifiers or organizational markers.

With their names, then, organizations can symbolize or codify images, meanings, and qualities that are important aspects of their identity, or those organizational attributes that are central, distinctive, and enduring (Albert & Whetten, 1985). Language embodies patterns of meaning that define organizational realities (Morgan, Frost, & Pondy, 1983), imbuing an organization with qualities it may see as desirable and defining of its identity. Such words cue broader sets of meanings that encourage valuations in that direction. For instance, *Best Chairs* implies the quality that individuals may expect; we argue some individuals may value such quality signals more than others. March and Simon (1958) observed that "the world tends to be perceived by the organizational members in terms of the particular concepts that are reflected in the organization's vocabulary" (p. 165). By invoking words that mark an organization's attributes, organizational names evoke standards of evaluation in audience members who are attuned to receiving such signals. This argument is consistent with what Putnam and Fairhurst (2001) term "cognitive linguistics," which asserts that "meanings . . . reside within language users" (p. 118).

We view organizational artifacts, and names more specifically, as signals that are drawn from the common cultural vocabulary that members of a society (or organizational community) share. However, we argue that the recognition of those signals will vary depending on individuals' receptivity to those cultural accounts. We hypothesize that individuals have preferences for certain kinds of names over others. And, although such preferences can vary in a number of important ways, we focus on two that are relevant to the institutional nature of names: The first is individual preferences for more creative or unusual names (such as "Fred's Bank") and the other, individuals' preferences for institutionalized or legitimate organizational labels (such as "Security First Trust and Federal Reserve"). Individuals who prefer more creative names will make name choices consistent with their preferences. The way such preferences affect name choices is evident in the case of baby names: Some parents seek to individuate, giving their child an uncommon name (Lieberson & Bell, 1992), but others signal conventionality, by using popular and common standards, naming boys "Michael" and girls "Kate" (or some slight variation on each of these).

We anticipate that individual preferences for creative or conventional names will affect individuals' preferences for certain types of organiza-

tional names. Individuals with creative preferences will tend toward less conventional, traditional, and more uncommon, unusual, or nonstandard (deviant) names. Conversely, other individuals with different preferences will tend toward more normative organizational names, that is, those that fit with institutionalized patterns of nomenclature. Thus, we hypothesize the following.

Hypothesis 2 (H2). Individuals will differ in their preferences for symbolic isomorphism in names and this will influence their choices for new organizational names.

- **Hypothesis 2a (H2a):** Individuals who believe that an organization's name should be isomorphic with the organizational field will choose new organizational names that conform to institutionalized practices.
- **Hypothesis 2b (H2b):** Individuals who believe that an organization's name need not be isomorphic will choose new organizational names that do not conform to institutionalized practices but rather, are uncommon, creative, or unusual.

METHODS

Survey. The survey data used in this chapter are part of a larger study of organizational names reported by Glynn and Abzug (2002). The survey had four main sections. Section 1 focused on comprehensibility of names and assessed how respondents were able to *accurately* assess the industry of a number of relatively unknown companies. Section 2 asked participants their *preference* for a name that would be best for attracting customers for five types of firms: dry cleaning, banking, meat processing, plastics manufacturing, and a pizzeria. Section 3 asked participants to rank-order which of seven characteristics of names are most important. These included names reflecting products/services' specificity, traditions, creativity, the founder, geography, competitive advantages, or abbreviation. Section 4 asked respondents for agreement (using a 5-point Likert scale) on 17 questions about individuals' preferences regarding the purpose or effectiveness of organizational names (e.g., "A firm's name should describe specifically what the firm does," "People think highly of a firm because of its name"). A final section captured demographic data about the respondents.

Sample. Because we were interested in understanding variations in perceptions, we surveyed two different types of respondents who had very different organizational and educational backgrounds. One subset of respondents ($n = 516$) had significant business experience; all were stu-

dents who were enrolled in Master of Business Administration (MBA) programs. The second subset consisted of respondents who had little or no exposure to business organizations; these were college undergraduates from a sorority ($n = 41$) and adults who were active in the arts ($n = 55$). The resulting total sample of 612 had the following characteristics: 38% female, with an average age of 27.6 ($SD = 5.7$), 5.1 years of work experience, and 51% with bachelor's degrees. See Glynn and Abzug (2002, pp. 274–275) for further details about the sample.

Measures: Dependent Variables. Because our hypotheses concern how respondents interpret names, we created two binary dependent variables reflecting respondents' *accuracy* in assessing the industry membership from names and respondents' *preferences* for deviant names. We use binary measures for these variables because this allows us to collapse responses for a number of questions into one measure (e.g., respondents got all the questions right, or selected one of a number of names).

Accuracy was measured using Section 1 of the survey, where respondents were asked to categorize relatively unknown companies according to industry. We used only firms whose names included an industry root that provided a clue to the correct industry choice: *Alagasco* (oil and gas), *Contel* (telecommunications) and *Lifetime* (medical/health). Responses were coded a "1" if they were able to accurately assess all three of these names and "0" otherwise.

Preference was measured using Section 2 of the survey. We coded a "1" if the respondents selected any of the least popular name choices, and "0" otherwise. For each of the names of firms in Section 2, there was generally an agreement on what would be the "best" name (e.g., Tony's Pizza was selected by 58% of respondents as the best name for a pizzeria), and there was also an agreement on what would be the least desirable name. Table 12.1 reports the modal and least frequent name choices for each new organization.

The statistics in Table 12.1 show clear differences in choice patterns. Names that were chosen most frequently we termed modal name choices. These were chosen by 40% to 58% of the respondents. Conversely, names that were chosen least frequently were also easily identifiable. These most infrequent name choices were selected by no more than 7% of respondents. For example, only 7% of respondents indicated a preference for a meat-processing company being named "The Meating Place" and only 0.4% had a preference for a pizzeria being named "First National Pizzeria." We see these name choices as indicating a preference for more creative, unorthodox, or deviant names.

Independent Variables. Because we hypothesized that the latent interests and characteristics of respondents would influence the perceptions of names (H1 and H2), as our independent variables we used data from

TABLE 12.1
 Modal and Infrequent Name Choices for New Organizations
 (Questionnaire Section 2)

| <i>New Type of Organization</i> | <i>Modal Name Choice</i> | <i>Standard Deviation</i> | <i>Most Infrequent Choice (% Chosen)</i> |
|---------------------------------|---------------------------|---------------------------|--|
| Dry Cleaning Store | Park Ave. Cleaners 53% | 1.2 | Abe Lincoln's Laundry 2% |
| Bank (in Atlanta) | BancAtlanta 53% | 1.0 | Tony's Bank 1.3% |
| Meat Processing Company | Quality Meats 40% | 1.7 | The Meating Place 7% |
| Plastics Manufacturing Company | XL Plastics 45% | 1.0 | XLT 5% |
| Pizza | Tony's Pizza 58% | 1.1 | First National Pizzeria 0.4% |

Note. $N = 612$.

Sections 3 and 4 of the survey indexing the significance of name attributes to respondents. From responses to Section 3, we created two binary variables that indicated whether respondents' first or second choices for names were *creative* or *conforming*. Using the scale items in Section 4, we conducted exploratory factor analysis (principal components factors, varimax rotation) and were able to identify two significant factors, each with eigenvalues greater than two, and together accounting for 30% of the variance.

One, which we are calling *names as artifacts*, indicates the strength of respondents' beliefs that names reflect the organization's institutional context. This factor consists of the following five items: "A firm's name is important in establishing its reputation," "Clients and customers are attracted to a firm because of its name," "Choosing a new name for a firm is an important strategic business decision," "The name of a firm is a key part of its identity," and "A firm's name can give the business credibility and legitimacy."

The second factor, which we are calling *names as identity markers*, indicates the importance of names as reflecting key attributes of the firm, such as the quality of "goodness" of the firm. This factor is composed of two questions: "A firm can be no better than its name," and "A firm's name is indicative of its quality and service."

Control Variables. We included a number of controls regarding the demographic characteristics of our respondents, including: *gender*, *years of full-time work experience*, *level of education*, and whether they are enrolled in an *MBA program*. We also included in our analytical models a binary vari-

able taken from Section 3. This indicated if respondents' first or second choice for name characteristic was the following: a name that *specifically* describes the product or service. We are controlling for this because this was the most popular choice for all respondents.

Analyses. Because both of our dependent variables were binary, we used logistic regression.

RESULTS

Correlations and descriptive statistics are presented in Table 12.2 and regression results testing hypotheses one and two are presented in Table 12.3.

For each of our two sets of analyses (predicting *accuracy* and predicting *preference*) we estimated (and present) four models. The first model for each set (Model 1 and Model 5) consists of only the control variables. These are presented primarily for informational purposes and to verify that the addition of the independent variables significantly increases the model fit.

The main models that we interpret are Model 3, which tests how individuals' beliefs about the functionality of names influences *accuracy* (H1a and H1b), and Model 6, which tests how individuals' *preference* for different types of names influences their choice of creative or deviant names (H2a and H2b). The other models presented are primarily for informational purposes and include the independent variables from the other set of analyses. These test how preferences for creativity or tradition influence accuracy (Model 2) and how beliefs in the functionality of names influence preference for deviant names (Model 7). Also included in Models 4 and 8 are full models with both sets of independent variables.

Hypotheses 1a and 1b, predicting how individuals' beliefs about how the functionality of organizational names influences their accuracy in assessing firms' institutional identity, found support (see Model 3). Individuals who believe that an organization's name functions as a legitimating artifact were more attentive to institutional connotations embedded in the firm's name, and individuals who believe that organizational names function as markers of a firm's distinctive quality were less attentive to institutional connotations.

Hypotheses 2a and 2b, predicting how individuals' preferences about symbolic isomorphism influence their choices for new organizational names, also found support (see Model 6). Individuals who believe that an organization's name should reflect industry norms will choose new organizational names that conform to institutionalized practices. Individ-

TABLE 12.2
Descriptive Statistics and Correlations for All Variables

| | <i>Mean</i> | <i>SD</i> | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|--------------------------|-------------|-----------|--------|-------|---------|---------|-------|---------|--------|--------|
| 1 Name as Artifact | 3.45 | .493 | | | | | | | | |
| 2 Identity Marker | 2.58 | .836 | .124** | | | | | | | |
| 3 Preference: Specific | .646 | .479 | -.037 | .016 | | | | | | |
| 4 Preference: Creative | .517 | .500 | .059 | -.053 | -.231** | | | | | |
| 5 Preference: Conforming | .221 | .415 | .052 | .029 | -.249** | -.149** | | | | |
| 6 Gender | .391 | .509 | .074 | .030 | .073 | -.020 | -.023 | | | |
| 7 Experience | 5.12 | 4.49 | .058 | -.007 | .014 | -.051 | .026 | -.076 | | |
| 8 Education | 4.21 | .868 | .004 | -.008 | -.074 | .015 | .003 | -.253** | .291** | |
| 9 MBA | .848* | .359 | .084 | .021 | -.074 | .000 | -.027 | -.300** | .042 | .579** |

* $p \leq .05$. ** $p \leq .01$.

TABLE 12.3
Logistic Regression Results

| Model | Individuals' Accuracy in Assessing Names (1 = All Correct) | | | | Individual Preferences for Deviant Names (1 = Prefer at Least One Deviant Name) | | | |
|---|---|-------------------------------|--------------------|-------------------------------|--|--------------------------------|------------------|-------------------------------|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| <i>Individuals' Beliefs about the functionality of names:</i> | | | | | | | | |
| H1a Names as Artifacts | | | 0.366* (0.181) | 0.371* (0.182) | | | 0.404 (0.254) | 0.480 [†] (0.266) |
| H1b Names as Identity Markers | | | -0.241* (0.105) | -0.241* (0.105) | | | 0.109 (0.142) | 0.149 (0.147) |
| <i>Individuals' Preferences for:</i> | | | | | | | | |
| H2a Conforming Names | | -0.006 (0.216) | | -0.026 (0.218) | | -1.819** (0.487) | | -1.888** (0.492) |
| H2b Creative Names | | 0.205 (0.178) | | 0.147 (0.180) | | 0.509* (0.254) | | 0.502* (0.256) |
| <i>Control Variables</i> | | | | | | | | |
| Preference for Specific Names | 0.288 (0.176) | 0.338 [†] (0.191) | | 0.329 [†] (0.193) | -0.246 (0.238) | -0.447 [†] (0.255) | | -0.423 (0.258) |

(Continued)

TABLE 12.3
(Continued)

| <i>Model</i> | <i>Individual's Accuracy in Assessing Names (1 = All Correct)</i> | | | | <i>Individual Preferences for Deviant Names (1 = Prefer at Least One Deviant Name)</i> | | | |
|--|---|---------------------|--------------------|--------------------|--|-------------------|---------------------|-------------------------------|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| Experience | 0.028 (0.020) | 0.03 (0.020) | 0.026 (0.020) | 0.026 (0.020) | -0.050 (0.035) | -0.053 (0.036) | -0.054 (0.035) | -0.06 [†] (0.036) |
| Education | -0.007 (0.129) | 0.004 (0.129) | 0.006 (0.130) | 0.013 (0.130) | 0.017 (0.174) | 0.017 (0.174) | 0.069 (0.176) | 0.078 (0.177) |
| MBA | 0.804* (0.310) | 0.818** (0.312) | 0.741* (0.315) | 0.764* (0.317) | -0.132 (0.427) | -0.184 (0.444) | -0.165 (0.438) | -0.284 (0.457) |
| Constant | -1.134* (0.489) | -1.489** (0.518) | -1.738* (0.786) | -2.082* (0.813) | -1.143 [†] (0.643) | -1.001 (0.688) | -3.152** (1.100) | -3.183** (1.160) |
| LR χ^2 | 15.13* | 16.54** | 20.17** | 23.74** | 6.71 | 35.57** | 8.62 | 39.15** |
| Δ LR (v. baseline models 1 and 5) | — | 1.41 | 5.04* | 8.61** | — | 28.86** | 1.91 | 32.54** |
| Observations | 591 | 591 | 588 | 588 | 591 | 591 | 588 | 588 |

Note. Standard errors in parentheses, two-tailed tests.

[†] $p \leq .10$. * $p \leq .05$. ** $p \leq .01$.

uals who believe that organizational names should be creative and unusual chose new organizational names that did not conform to institutionalized norms and practices.

Our control variables, with the exception of enrollment in an MBA program, did not provide any systematic or interesting patterns. Perhaps confirming the validity of our tests, being in an MBA program increased individuals' accuracy in assessing names, suggesting that an MBA education provides socialization experience into industry and organizational conventions.

DISCUSSION AND CONCLUSIONS

By taking a multilevel approach to organizational artifacts, incorporating both macrolevel institutional norms and microlevel individual differences, we sought to enrich existing approaches to studying symbols in organizational practices. Our work embeds artifacts in a blend of institutional forces and individual variation that help to explain why artifacts function as such potent carriers of meaning.

Our first hypothesis posited that individuals' beliefs about the function of organizational names would influence their perception of naming connotations and their accuracy in assessing firms' institutional identity; we found significant support for H1. More specifically, we found that individuals who believe that an organization's name functions as a legitimating artifact were more accurate in assessing the organization's institutional identity; in contrast, we found that individuals who believed that an organization's name functioned as an identity marker were less accurate in making this assessment.

To interpret these findings, we speculate that individuals' beliefs directed their attention to cues embedded in the organizational names. For those individuals believing a name to be an institutional artifact that locates the organization in a field of meaning, cues that connotated industry membership, for example, Alagasco (oil and gas), Contel (telecommunications) and Lifetime (medical/health), may have been more salient and thus more comprehensible. However, individuals believing that names served as distinctive identity markers, indicating a firm's particular attributes, such as quality (e.g., "Best Chairs"), may have directed their attention toward such cues and away from others that signaled institutional membership. Important to note in this study, the stimulus words did not embed such cues. Perhaps distracted from the institutional cues that were in the names, these individuals were less accurate in assessing the industry membership of firms. Clearly, future research might test our speculation by surveying individuals' responses to names that function as institu-

tional artifacts and as identity markers. However, the support for Hypothesis 1 (as well as H1a and H1b) suggests that isomorphism matters but matters more to those individuals who hold beliefs consistent with an institutional perspective on artifacts.

Whereas the first set of hypotheses focused on accuracy cued by normative conformity, the second set of hypotheses turned to examining artifacts that were potentially deviant and nonconforming. Our second hypothesis posited that individuals' preferences about symbolic isomorphism would influence their choices for new organizational names; more specifically, individuals with preferences for normative naming patterns would choose names that conformed to institutionalized practice. By contrast, individuals with creative preferences would choose more deviant, unusual, or uncommon names. We found significant support for these hypotheses: In choosing names for new firms, individuals aligned their name choices with their name preferences.

Overall, the results offer implications for both the study of artifacts and the study of institutional dynamics. Our findings indicate that artifacts derive their meaning from both more macrolevel institutionalized fields of meaning and more microlevel individual variations. Artifacts have cultural moorings that reflect institutionalized values, norms, and practices, but they are also subjectively perceived by individuals in light of their personal beliefs about, and preferences for, artifact characteristics. As such, we extend current theories about artifacts that tend to focus meanings primarily at the organizational level (e.g., Pratt & Rafaeli, 1997; Rafaeli & Worline, 2000) or at the individual-organization interface (Pratt & Rafaeli, 2001). Broadening this view to the institutional level, we show how organizational artifacts can carry meanings to audiences who are not organizational members or employees. Borrowing from a cultural toolkit (Swidler, 1986) afforded by normative and institutionalized practices, individuals construct the meaning of artifacts so as to fit them to their personal belief systems and preferences.

Our findings extend institutional theory by revealing how audiences subjectively construct meanings, comprehend organizations, and sanction or legitimate institutions by apperceiving artifacts. We find that isomorphism, or organizational conformity to normative practices, does not mean the same thing to all people. People vary in their preferences for standardized, normative organizational symbols, and these preferences affect their choices in crafting and understanding organizational artifacts. We might speculate that it is organizational appellations such as "Fred's Bank" that appeal to individuals with more creative impulses. Conversely, it is individuals with preferences for normative names who would deposit their money in "Security First Trust and Federal Reserve."

To conclude, we find that both institutional and individual factors affect the construction of meaning for organizational artifacts. It is the ongoing process of institutionalization, and the valorization perhaps of the preferences of powerful or elite individuals, that eventually become the standards and traditions in symbolizing organizations. We have looked at one aspect of the process, asking people to judge and to choose organizational names; we leave it to future researchers to uncover other layers of meaning in organizational artifacts.

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