



## MEDICI SUMMER SCHOOL IN MANAGEMENT STUDIES

### Context

The Medici Summer School in Management Studies, held in the Villa La Pietra on the 5-10 July 2009, was co-sponsored and co-organized by Alma Graduate School (University of Bologna), HEC Paris, and Stern School of Business (New York University). The Summer School is designed to promote doctoral education and research in management studies and contribute to the development of enlightened practice in the management of business organizations. The Summer School combines lectures and research seminars by prominent international scholars with an active engagement of participant students. Every day of the one-week program is scheduled to end with the presentation of students' work related to the topic of the School, with a panel of senior faculty providing feedback.

### Overview

The 1st Medici Summer School revolved around categories and identities of and in organizations. The key question of both academic and managerial relevance we dealt with is:

How do organizational categories shape, and get shaped by, organizational fields?

This question itself is motivated by both longstanding and contemporary strategy and organizations research. It is intimately associated with the problem of establishing "boundaries" in the study of organizations and industries. Everyday language provides much grist for distinguishing one type of organizational form from another. We know, almost intuitively, that an "airline" is a different form than a "bank", and we speak effortlessly of the "airline industry" or "financial services." And yet, forms and industries have been historically difficult to define and demarcate in systematic ways. In economics, for example, longstanding debates have occurred over how best to determine the boundaries between one industry or market and another, with no clear consensus emerging even today. There is a growing consensus in some research areas that the boundaries of industries, fields, markets, and/or populations are not to be found in the intrinsic characteristics of firms themselves but, rather, are cognitive categories that are defined by one or more groups of relevant observers (e.g., customers, suppliers, rivals, investors, etc.). This cognitive turn has very important implications for the study of forms in situ. It implies that language and linguistic conventions are primary data points in demarcating one form from another. It suggests the possibility that organizational forms and identities are relative to a community of observers, and that different communities can define the same organization in different ways depending on their perspective and observational goals.

## Interventions

On the first day, Joe Porac (New York University) tackled several issues pertaining to categorization processes by taking stock of past research. He insisted on the relevance for scholars to go in the field and meet social actors in their daily activities. He told about how surprised he was, for instance, that Scottish knitwear producers considered that competition consisted of the four or five geographically-proximate knitwear producers that they personally knew – whereas thousands of producers offer very similar products to very similar customers across the world. If competition is so deeply tied to cognitive frames, and if we accept that competition shapes the boundaries of what is a market, it follows that markets, industries, and whole sectors of the economy literally lie in the eye of their beholders. Giovanni Gavetti (Harvard) pursued the analysis at a different level by outlining a cognitive theory of organizational strategy, wherein managerial cognitive frames shape growth opportunities, organizational scope, and product strategies. On the second day, Ezra Zuckerman led an interactive discussion on categories and status. Based on his presentation of a study of law firms spanning various categories (such as divorce, personal injury, or corporate law), he connected the cognitive foundations of categories with their market outcomes through the prism of status hierarchies. In particular, he discussed the middle-status conformity conjecture, which states that conformity is high in the middle yet low at the top and bottom of a status hierarchy. Importantly, status can be conceptualized by looking at category membership (e.g., high-status law firms do corporate law, low-status law firms take on divorce cases). On the third day, Raghu Garud (Penn State) built on previous discussions to investigate the notion of category emergence. By drawing on his study of the sociocognitive emergence of cochlear implants as a distinct technology and product category, he shed light on the uncertainty and power relationships at play during category emergence. He insisted on the sociocognitive dynamics at work between actors involved in an innovation process. On the fourth day, Huggy Rao (Stanford University) and Rudy Durand (HEC Paris) led a brainstorming session on the overlap between multiple categories, multiple institutional logics, and multiple evaluators. Preparing a fourth paper investigating the field of French haute cuisine, they portrayed the field as one wherein chefs can adopt recipes from either the traditional or nouvelle cuisine logics, which draw on different categories of ingredients, aesthetics, and combination. Two evaluators categorize and rank restaurants after trying their signature dishes – the Michelin Guide, the incumbent player in the field of gastronomy critique, and the Gault & Millau Guide, the challenger biased in favor of nouvelle cuisine experiments. The brainstorming led to propositions about what happens to restaurants and broader categories in the field when both critics agree or disagree, and how this should be measured empirically. On the last day, Elizabeth Pontikes (University of Chicago) revisited a well-established finding of categorization research – that spanning multiple categories leads to unclear identities and lower external evaluations – by introducing the notion of category leniency and the idea that evaluators have heterogeneous goals. Lenient categories are ill-defined and impose little constraint on their members. This richer conceptualization led Elizabeth to argue that certain evaluators may actually favor organizations that span lenient categories. In an empirical paper, she found that investors are attracted to organizations in lenient categories because they are more flexible with the ability to appeal to a wide range of potential consumers (whereas consumers are more likely to look for goal-specific organizations). These presentations were followed by those of doctoral students from nine different countries and by passionate discussions, not only in the conference room but also later around the table where exquisite Italian specialties were served to the participants, accompanied by carefully-selected fine

wines. Debates spanned both the past and future of categorization research, and proved that this line of research is extremely lively and very promising, for organizational scholars, sociologists, and psychologists.

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