LEGITIMATING IDENTITIES:
HOW INSTITUTIONAL LOGICS MOTIVATE ORGANIZATIONAL NAME CHOICES

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Part II: Social Motivations in Modern Organizations
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Abstract

We examine empirically how a key identity marker – an organization’s name -- responds to reputational pressures over time. We theorize that institutional logics about naming standards in different historical periods function as social motives, eliciting conformity to the constitutive rules of the (name) game to legitimate organizational identities. In turn, organizational choices of names aggregate to create identity patterns for organizational fields that motivate organizations’ subsequent choices. We map two primary sets of institutional pressures on organizations’ name choices: historical norms at the macro (or broader societal) level and industry norms at the more micro (or immediate) level. We begin by examining historical changes in names from 1972 to 1988 and then show how dominant institutional logics affect name choices made by nearly 1600 organizations changing their names in the 1982-87 period. Our findings illustrate how institutional logics function as social motives for legitimating organizational identities and, in turn, how organizational identities are embedded in both immediate and broader social environments.
As organizations change, so too do their identities and the symbols that signify their identities. Changed identities often evoke a need for clarity (Fiol, 2002) and for resolving the central question of “Who are we?” or “What kind of organization is this?” In their qualitative study, Corley and Gioia (2004) demonstrate how understanding identity ambiguity is essential to understanding organizational change. And Gioia, Schultz, and Corley (2000) note how organizational identity change occurs in one of two forms: changes in identity labels or the meanings underlying those labels. In this chapter, we examine simultaneous change in both identity labels and in their meaning — and their relationship to the identity ambiguity precipitated by organizational change — by studying the names that organizations choose when they change their name.

To date, the organizational literature has tended to focus on identity change at the organizational level of analysis. As influential as this literature has been, it nonetheless tends to overlook the embedded nature of organizational identity and how the labels (or names) that organizations use to express their identity (Gioia et al., 2000), along with their associated meanings, may be historically-based and institutionally-driven. For instance, Glynn and Abzug (1998; 2002) demonstrated how industry norms affect the choice of particular organizational names, while Glynn and Marquis (2004) have shown the legitimating effects of choosing appropriate names. We complement and extend these studies by embedding organizational identities in ever-widening institutional environments, including that of the broader society in which identity change occurs.

We examine how organizational names, as identity labels, change over time, in response to prevailing norms and logics in organizations’ broader and more immediate institutional environments. We report findings from two empirical studies. The first
study is an historical analysis, mapping discernible patterns in organizational name content over the period, 1972-1988, and the second study is an archival analysis that examines the influence of organizational and institutional factors on nearly 1600 new names chosen by organizations changing their name.

We focus on a particular name attribute: the extent to which the new organizational name incorporates “real” words, i.e., words in common usage, found in a published dictionary. We chose this name attribute because it is an indicator of how organizations manage the identity comprehensibility or ambiguity that accompanies change. Changing an organization’s name typically is part of a deeper set of organizational changes, involving shifts in strategy, structure and leadership (Glynn & Slepian, 1993). In renaming the organization, then, organizations can mark new identities with greater (or less) ambiguity, understandability, and clarity.

By incorporating real words into the organization name can decrease identity ambiguities in several ways. First, organizational names with real words are carriers of well-established socio-cultural meanings because they draw from culturally meaningful and widely understood toolkits (Swidler, 1986), i.e., common word usage typically found in published dictionaries; thus, they can offer ready-made expressions of identity that are clear and understandable, thereby reducing name ambiguity (Glynn & Abzug, 1998; 2002). Second, by leveraging the cultural understandings encoded in real words, organizational names can get a cognitive boost by easing mental processing due to the well-documented “lexicality effect,” i.e., “the finding that (real) words are processed faster and more accurately than nonwords” (Gontijo, Rayman, Zhang, & Zaidel, 2002: 335), making such organizational names more comprehensible, memorable, and
legitimate to their audiences (Glynn & Abzug, 2002; Glynn & Marquis, 2004). Finally, because organizational fields are characterized by institutional logics or rules concerning name ambiguity (Glynn & Abzug, 1998; 2002), organizations’ symbolic alignment signaled by conformity to those rules in its name realism, can serve as a touchstone for legitimacy. Thus, perceptual, organizational, and institutional factors all work to motivate the particular choice of a real and appropriate name for an organization changing its name.

In this chapter, we focus on these organizational name choices and on how both immediate and broad institutional environments shape these choices. To begin, we examine how institutional environments are characterized by dominant logics that may motivate organizations to choose names that are “real” (identifiable and ambiguity-reducing) and appropriate or legitimate. This leads us to our first study, an historical analysis of general trends in organizational use of real words in their names during the 1972-88 period. In our second study, we analyze the social, institutional and organizational antecedents of name change choices for organizations changing their names during the 1982-87 period. We start with a theoretical overview of how prevailing institutional logics may motivate the specific choices that organizations make in naming their identity.

**INSTITUTIONAL LOGICS AS SOCIAL MOTIVES FOR NAME CHOICES**

We view organizational identity through the lens of institutional theory. We focus on the organization name as a succinct marker of the organization's identity to both
internal and external audiences. With a name, an organizational identifies itself, locating
the collective in a field of meaning, which, in turn, influences how issues are perceived,
interpreted and acted upon (Dutton & Dukerich, 1991). Beyond the boundaries of the
firm, however, names are relational, categorizing organizations into membership groups
(Elsbach & Kramer, 1996). The clarity with which an organizational name signals such
membership can amplify or reduce identity ambiguity. For instance, a moniker like
“First National Bank” tends to unambiguously signal the organization’s identity as that of
a bank; in contrast, bank names such as Synovus or Avantor are more ambiguous about
the firm’s identity. And, because corporations are known largely by their name
(Boddewin, 1967), names function to signal, more or less ambiguously, the identity of an
organization. Thus, organizational names, through their descriptive use of words, can
function as one indicator of identity ambiguity.

As well, with a credible name, organizations can signal conformity and adaptation
to their referent fields; for organizations changing their name, such symbolic conformity
(or institutional isomorphism) can also reduce identity ambiguity. More idiosyncratic or
quirky names, such as “Fred’s Bank” (Glynn & Marquis, 2005) raise questions about just
what kind of a bank – or organization – the appellation references. Thus, isomorphic
organizational names (e.g., “First National Bank”) are more understandable, less
ambiguous, more taken-for-granted, and thus more legitimate (Suchman, 1995) as
identities.

As Glynn and Abzug (1998; 2002) found, the study of organizational names is an
opportune site for exploring symbolic processes that reveal the “ceremonial conformity”
that Meyer and Rowan (1977) argued was the touchstone for legitimacy. We begin with
institutionalists’ notion that organizations are subject to forces arising from the fields (or industries) of which they are a member; organizational fields are communities of organizations engaged in common activities and subject to comparable reputational pressures (DiMaggio & Powell, 1983). When these reputational pressures are highly institutionalized in organizational fields (Zucker, 1991), “…the more time and energy organizational elites devote to managing their organization’s public image and status” (Meyer & Rowan, 1977: 361). Institutionalization results in a social pattern (Jepperson (1991: 149) when organizations conform to institutional pressures by using the rules, norms, and standards that govern the organizational field.

As Meyer and Rowan (1977) would have us think about it, names dramatize or narrate the organization’s identity by giving it a ceremonial face, asserting certainty about its identity and its legitimate membership within the field. In their words, “Affixing the right labels to activities can change them into valuable services and mobilize the commitments of internal participants and external constituencies” (Meyer & Rowan, 1977: 350). Thus, affixing the right label – or choosing an appropriate organizational name – is a way of purchasing legitimacy, thus reducing both the ambiguity and uncertainty that organizations face under times of change.

Reputational forces, arising within organizational fields, create social motives for firms to conform to prevailing logics. Organizations develop a deep understanding about the codes of conduct, normative rules, and logics of appropriateness for naming; thus, organizational name choices become routinized and social patterns of names emerge over time (Glynn & Abzug, 2002). Moreover, though imitation of other firms and the “contagion of legitimacy” (Zucker, 1987: 446), mimetic isomorphism occurs and
homogeneity in practices and symbols results. Whether institutional conformity in organizational practices arises in response to norms and values (DiMaggio & Powell, 1983) or more cognitively based “guidance systems (DiMaggio & Powell, 1991), the effect of the institutional environment is to exert considerable pressure for organizations within fields to conform to these taken-for-granted rules. These institutional mechanisms that guide the micro-behavior of firms re-naming themselves in turn, aggregate to shape the evolution of the organizational field, as particular types of names become more frequent and more accepted. Thus, these naming rules, enacted by firms changing their identities, guide patterns in identity formation over time.

Exploring institutional patterns of naming within organizational fields and over time, extends the reach of understanding identity ambiguity to that of the inter-firm or industry level. Clearly, some industries are characterized by more (or less) ambiguous names than others. Glynn and Abzug (2002: 271) found significant inter-industry variations in name ambiguity, reporting that “Longer and more domain-specific organizational names were found in the finance, insurance, and real estate industry group; shorter and less specific organizational names were found in the service industry.” To illustrate, contrast “First National Bank” (long, domain-specific name) with “Kinko’s” (shorter, less specific name), or think of how firm names in the manufacturing sector (e.g., Ford Motor Company) look very different from those in bio-tech or pharmaceuticals (e.g., Genentech, Galephar or Salumedica). Thus, a fabricated organizational name like “Synovus” which could, conceivably, signal a firm’s membership in the service, bio-tech, or pharmaceuticals industry, has greater ambiguity than a name with more understandable or real words. The latter kinds of names (First National Bank) tend to answer the central
question of identity – What kind of organization is this? – with more clarity and less ambiguity.

In this chapter, we seek to understand both aspects of these field-level processes: the macro-level patterns that emerge over time, as a consequence of firms making naming choices, as well as the micro-level firm name choices that are guided by the dynamics of the institutional field. Simply put, we examine how routines for naming organizations change over time, creating naming patterns that act upon subsequent organizational choices of names. Our study should reveal identity patterns at multiple levels of analysis, at the firm and at the field. At the level of the organization, we expect that new name choices will follow the logic of appropriateness that matches the dominant choices made by organizations in the field (DiMaggio & Powell, 1983; March & Olsen, 1989). At the level of the field, we expect to see a dynamic system that changes over time to reflect changes in the constitutive rules and institutional logics that govern the system (Thornton & Ocasio, 1999). As Glynn and Abzug (2002: 268) explain: “At the level of the broad institutional environment (Scott, 2001), industry power, dependence, and political pressures are muted, thus allowing isomorphism to transgress more narrow borders (Dacin, 1997), but not indefinitely.” We turn next to mapping the identity dynamics of organizational naming patterns in the broader environment, over time.

HISTORICAL PATTERNING OF IDENTITY:
CHANGING LOGICS OF ORGANIZATIONAL NAMES OVER TIME

Over time, preferences for certain types of organizational names may wax and wane during different historical time periods (e.g., Boddewyn, 1967, Table 1), evidencing
periodicity. Institutionalization leads to conformity and, in turn, homogeneity of organizational forms and symbols within fields during epochs (DiMaggio & Powell, 1983). This notion of historical periodicity has been applied to different kinds of organizational phenomena. For instance, Thornton and Ocasio (1999) show empirically how corporate executives’ functional background in the publishing industry is historically contingent. Glynn and Abzug (2002; Table 1) show how naming standards are also historically contingent, documenting how patterns in organizational names have changed significantly, in both content and form, over 200 years, from 1800 to 2000. As well, other researchers have noted how organizational names shifted in different historical periods; Lee (2001) found that organizations rapidly appended “dot-com” to their names in the internet euphoria of the 1990s, while Glynn and Marquis (2004) found that these same firms just as quickly abandoned their internet identifier when the boom went bust.

Historical periodicity invites questions about how institutions originate in the first place or change at all; we note that these are questions which have absorbed the attention of a number of organizational scholars studying institutions (e.g., Greenwood & Hinings, 1996; Kratz & Zajac, 1996). Typically, shifts in institutional logics are the result of changes external to institutions, e.g., shocks, jolts or drifts that are exogenous to the field governed by the institution. Shifts outside the institutional sphere, e.g., in the resource environment, mandate a corresponding shift in institutional logics (Greenwood & Hinings, 1996; Kraatz & Zajac, 1996). Thus, the institutional logics that serve as social motives for name changes likely reflect some of the changes in organizations’ economic, technical, social or political environment. For instance, we note how early organizations, as new institutional forms required lengthy, descriptive names (Glynn & Abzug), and
more recent organizational innovations, such as web-based firms, track the internet boom and bust in their “dot-com” names (Glynn & Marquis, 2005; Lee, 2001). Overall, then, name patterns evidence historical periodization that reflects the dominant institutional logics of the times. In this chapter, we seek to examine how organizational name choices conform to prevailing institutional logics and, in turn, how such isomorphism can purchase legitimacy so as to reduce (or amplify) identity ambiguity.

Glynn and Abzug (2002) offer a broad, historical sweep of the shifts in organizational names from the “rich, descriptive and lengthy names of the 1800s…to recent [names that] are brief and concise,” (p. 268) noting how “different periods were characterized by different constitutive rules” (p 269). In particular, they observed a significant “inflection point between the 1970s and the 1980s, in which names shifted from the century-old three-part form” (p. 269) to more ambiguous names. Perhaps the precise and descriptive names became less appropriate for the changed organizational form of the multi-divisional and multi-faceted firms of the 1980s, whose identities seemed less clear and more ambiguous. As well, it also reflected managerial beliefs about what constituted an appropriate or legitimate name. Because it could afford a window on identity ambiguity under organizational change, we chose this historical period for closer study.

**Data, Methods and Analyses**

We analyzed the population of all firms that reported a name change from 1972 to 1987 (inclusive) in *Predicasts F&S Index of Corporate Change*. For each year in this 16-year period, we collected both the old and the new names for each firm. Then, for each firm name (both old and new), two independent raters assessed the extent to which each
name incorporated real words using three categories: 0 if the name contained no real
ing a combination of real words and
words (e.g., American Sugar Company; United States Steel Company; International
words (e.g., USX, UNISYS; Amstar), 1 if the name had a combination of real words and
nonwords (e.g., UMET Properties; Fifth Third Bancorp), and 2 if the name had only real
words (e.g., USX, UNISYS; Amstar), 1 if the name had a combination of real words and
nonwords (e.g., UMET Properties; Fifth Third Bancorp), and 2 if the name had only real
words (e.g., American Sugar Company; United States Steel Company; International
Harvester). The correlation between the two raters was satisfactory (r=.85, p < .001).

Table 1 presents this data, by year and by names, old and new. Figures 1 and 2
graphically represent the historical patterns in name ambiguity for both the old and new
names. We observe that the curvilinear patterns depicted in the two figures generally
map onto the historical pattern in organizational naming found by Glynn and Abzug
(2002). From 1972 through 1974, the dominant institutional logic for the old names we
studied (Figure 1) was one of realism, driven by the prevailing practice of using all real
words in the organizational name. Note that there are few names using nonwords at all,
even in combination with real words; thus, organizational names seemed to be fairly
unambiguous in both the labels and the meaning that was codified. However, this
changes abruptly for the old names in 1976, when the number of organizational names
containing real words is nearly halved. Greater identity ambiguity seems be signaled by
names, both old and new, as evidenced by the trough, from 1976 through (roughly) 1981,
in both Figures 1 and 2. The trend reverses itself in the early 1980s, for both old and new
names, as more real words are used (alone or in combination with nonwords) to name the
organization. Thus, this shift in the logic and practice of naming firms seemed to bring
increased understandability (by using real words) and, in turn, decreased identity
ambiguity.
The findings from this examination of the use of real words in organizational names, 1972-87, suggests historical periodicity in naming patterns, paralleling that found by Glynn and Abzug (2002) in name form and name content. That the broad institutional environment – of all firms changing their name – evidences historical patterning that changes over time suggests that, in the aggregate, firms are making name choices that are conforming to some underlying institutional logic or social motive that drives conformity and symbolic isomorphism (Glynn & Abzug, 2002). Moreover, the presence of these macro-level patterns is expected to influence micro-level behavior, i.e., the specific kinds of names that firms choose when changing their names. The impact at the organizational level of the increasing acceptance of the practice of using real words in the organizational name between 1982 and 1987 is investigated in our second study, presented next.

IDENTITY AMBIGUITY AND ORGANIZATIONAL NAME CHANGES, 1982-87

We explore how the macro-level shifts in the institutional logics and rules of the “name game” affect the particular name choices that firms make when they change their name. In a sense, this is a study of how history matters to the actors of the time. In examining the impact of history, Stinchcombe’s classic work (1965) on imprinting is a good starting point.

Stinchcombe’s 1965 (p. 142) essay on “Social Structure and Organizations” describes how “the groups, institutions, laws, population characteristics, and sets of social relations that form the environment” are historically contingent and imprint an organization with the characteristics of the founding era. Stinchcombe (1965) illustrates how this holds true for unions, fraternities, and savings banks, as well as other types of
organizations and industries. Stinchcombe reasoned that organizations founded during common historical periods would have similar structural characteristics because they faced the same environments and challenges; as he describes (1965:154) “the date of the (growth) spurts is highly correlated with the present social structure.” We extend this reasoning to identity dynamics, by examining the name choices made by organizations changing their name; in other words, we expect that organizations named in the same historical period would have similar identity markings.

Stinchcombe’s imprinting thesis turns our attention to the broad historical context in which firms are embedded, much like the periodicity in naming trends that we observed in Table 1 and Figures 1 and 2. Beyond just observing a correlation between identity characteristics and historical periods, institutional theory offers insights on the mechanisms by which environments affect actors, and, in particular, the immediate institutional environments, or industries, in which firms are embedded.

The core tenet of institutional theory – that isomorphism legitimates – provides a window on this mechanism. In an attempt to secure legitimacy, organizations conform, in symbol and structure, to the prevailing institutional practices, norms, and rules. In other words, they look like an organization should look like as a member of a particular organizational field; they are identifiable as an organization of type “X.” They signal this in their identity and, particularly, in that most prominent of organizational identity markers: the organization name. Thus, when making changes in their names, organizations are influenced by the dominant logics of naming that characterize their immediate and anticipated (new) institutional environments, i.e., the industry or organizational field to which the changes are directed. Glynn and Abzug (2002)
demonstrated this, i.e., those organizations changing their name adopted the prevailing practices in their new institutional environment, not the old institutional environment, which they were exiting. Thus, local institutional pressures, arising from industries, were shown to affect name choices.

In this study, we extend this work to assess the effects of both broad and immediate institutional environments on organizational name changes. Like Glynn and Abzug (2002), we model the impact of organizations’ immediate institutional environment, i.e., the industry. But unlike Glynn and Abzug (2002), we also include the broader social environment, which we mapped for 1972-87, in the study reported above. In the following study, we included both measures, i.e., immediate and broad institutional environments, in a regression analysis to examine the effect of firms’ embeddedness in institutional contexts.

**Data, Methods and Analysis**

The archival data on organizational names and name changes that we use in this study is part of a larger set of studies reported by Glynn and Abzug (1998; 2002), in which they gathered data on all 1,587 organizations reporting a name change in Predicasts F&S Index of Corporate Change between 1982 and 1987. As in our first study reported in this chapter, we assess the extent to which organizations use real or unambiguous words in their name. Focusing on a shorter period (1982-87) allows us to examine other factors (i.e., control variables), which may also influence the prevalence of real words in a name. To test our hypothesis that historical era, as well as the specific industry environment, creates an isomorphic effect on organizational names, we conducted regression analyses predicting whether or not an organization chooses a new
name composed of real words. We chose to dichotomize the variable because we classified a composite name (consisting of both real and fabricated words) as being a positive case for realism; such a name carries clues (i.e., some real words) that reduce ambiguity. Because our outcome is binary (the new name has real words or not) we utilize logistic regression.

Dependent variable: Real Words in New Name. Based on the coding of real words described previously, our dependent variable assesses the degree to which the organizations’ new name contained real words. This includes both cases in which the name contains real words, i.e., if the name had only real words (e.g., American Sugar Company; United States Steel Company; International Harvester) and if the name had real words in combination with non-words (e.g., UMET Properties; Fifth Third Bancorp). Again, these were coded by independent raters, the correlation between the two raters was satisfactory ($r=.85$, $p < .001$).

Independent Variable: Historical Era. There are difficulties assessing the effect of an historical era on organizations over such a short period of time. Since we have already identified that the use of real words in organizations’ names is increasing during the time period from 1982 to 1987, one way to examine the effect of historical era is to see if firms later in the period under study are more likely to conform to the pattern than firms earlier in the period, even when controlling for the other relevant predictors. Thus, in order to assess the degree to which broader institutional logics associated with the historical era are important to firms’ choices of names, we created a liner time trend variable to assess growth over time. This runs from a value of 0 in 1982 to 5 in 1987.
This variable thus captures the degree to which firms later in the historical period under study are more likely to conform to the institutionalized pattern.

Control Variables: Our analyses include the following: *Length of Name*, a count of the number of letters in the firms’ new name; *Real Words in Old Name*, measured as for new names; a measure of organizational size indicating if the firm is a *Large Firm* (coded 1 if the firm is a Fortune 500 company and 0 otherwise); the percentage of other firms in the industry that have real words in their name (*Institutional Prevalence of Real Names*); and average *Name Length, Firm Industry* to capture the degree to which firms in an industry have adopted a particular name form, that of “realistic” names. Finally, we include the measure of *Environmental Uncertainty* based on Tushman and Anderson (1986) that Glynn and Abzug, (2002) utilized in their previous analyses. Because of missing values for *Environmental Uncertainty*, we present models both with and without this variable. Note as well that the sample size of our main model has been reduced from 1581 to 779, because of missing values on other control variables.

Results of the Analyses: Table 2 presents the means, standard deviations and bivariate correlations between the variables described above. Table 3 presents the regression results predicting whether or not firms between 1982 and 1987 adopted a new name with real words. First, it is important to connect these results to the patterns established previously by Glynn and Abzug (2002). Consistent with Glynn and Abzug (2002), the degree of *Institutional Prevalence* of having a name with real words was a strong and positive predictor of whether or not firms adopted a new name with real words. Similarly, as they found previously, *Environmental Uncertainty* had no effect on firm behavior. As they suggest, this set of findings indicate that it is institutional pressures,
not economic ones, that effect firms’ choices of names. It is important to note, however, that even controlling for these effects as well as other firm and industry characteristics, *Historical Era* is also a strong predictor of whether or not a firm adopted a real name. The statistical significance associated with this linear time trend variable suggests that, as the pattern increasingly is established over time, it becomes more and more likely that firms will conform to the broader environmental imperative and adopt a name with real words. Thus, our findings indicate that firms respond to reputational pressures, arising from both broad and immediate institutional arrangements, in choosing names to mark their identities. As a result, identity patterns emerge, over fields and over time.

**DISCUSSION AND CONCLUSIONS**

In this chapter, we sought to investigate how the identity of the modern organization is affected by the past; essentially, we explored how history matters, and how the complex and multiple environments in which modern firms are embedded impact how they mark their identities with their new names.

We theorized that organizational names – and the identities that they marked -- would be both historically contingent and institutionally driven. Essentially, we argued that institutional logics about appropriate naming standards in different historical periods would function as social motives, eliciting organizational conformity to the constitutive rules of the (name) game and, in turn, yielding field-level patterns in organizational identity. We found evidence to support this in two empirical studies.

In the first study, we examined historical changes in names from 1972 to 1988 and found that patterns in the use of real words in organizational names were evident.
During these 16 years, we found that the use of real words in both old and new organizations resembled a broad, flat, and inverted-U shape: initially high, followed by a significant drop-off, and then a rise to the initial height. As indicated by the use of real words in the organizational name, the period seemed to swing from low identity ambiguity to higher identity ambiguity and then rebound to low identity ambiguity.

We can speculate that perhaps names moved in parallel to the identity ambiguity of the times, which were marked by changes in the multidivisional form and a wave of mergers and acquisitions in the early 1980s – it was a time when it was hard to identify, with certainty and clarity, just what type of organizations these were! As institutionalists might explain, external shifts in the strategy and structures of firms shifted the logics that motivated name choices.

Theoretically, then, organizational identities, as signaled in their name, seem to occur not in a vacuum, and just as a reflection of intra-organizational change (e.g., Corley & Gioia, 2004) but rather, within the cultural and institutional norms and logics of the times. Complementing theoretical conceptualizations of organizational identity as being internally-driven and attribute-based (e.g., Albert & Whetten, 1985), our research demonstrates how organizational identity is situationally embedded, historically contingent, and institutionally adaptive. Thus, it seems, modern organizations are bound to the times in which they are founded, suggesting that identity may reflect imprinting (Stinchcombe, 1965) and thus be historically contingent.

In our second study, we scrutinized more closely the inflection point of the 1982-87 period and assessed both the broad historical environment (of the first study) as well as the more immediate and particular institutional environment in which firms operated.
While controlling for other organizational and environmental factors, we found that both aspects of the institutional environment of firms mattered in their choice of new names: When changing their names, organizations adopted new names that conformed to the institutional logics prevailing at the time, both in the industry and in the social milieu. Thus, we reasoned, institutional logics, both broad and immediate, affected the name choices that organizations made; the identities of modern organizations, it seems, were captives of the times in which they operated. In turn, it seems, that organizational choices of names aggregated to create identity patterns for organizational fields that motivate subsequent choices.

Taken together, our findings suggest how prevailing institutional logics, both at the level of immediate and broader organizational fields, serve as social motives for organizational identity, particularly as it is marked by a name. Our work locates theories of organizational identity at a more macro-level that is consistent with a sociological perspective on identity and maps its effects on more micro-level units, such as the firm name. Such an approach affords a more contextualized view, privileging the socio-cultural environment in which identities are crafted and changed. Our studies reveal that organizational identities can be imprinted by historical conditions at the time of organizational founding or re-creation, and that organizations may well “follow the leader” in playing the “name game.”

As well, we chose to focus on a particular aspect of identity, i.e., identity ambiguity, which has been studied primarily at the organizational level of analysis (e.g., Corley & Gioia, 2004; Gioia et al., 2000). We extend this to the level of the field or industry and note how ambiguity may characterize a significant organizational symbol
(organization name). We do not mean to suggest that identity ambiguity is fully determined by an organization name; clearly, it is a more complex dynamic. However, the extent to which organizational complexity, ambiguity and change is captured in a name represents an interesting area for future research. Mapping the ambiguity experienced internally in an organization, particularly under change, with the ambiguity evidenced in a key identity marker, its name, offers a potential avenue for future research. Whether an organizational name serves as a leading or lagging indicator of organizational ambiguity is an empirical question best answered with further study.

In some ways, then, the empirical evidence suggests that the identity of modern organizations may not be so “modern” after all! The names of organizations rechristened in 1987 bore a remarkable similarity to those of 15 years prior with regard to the frequency with which they used real words in their name. Glynn and Abzug (2002) suggest that history may repeat itself; they found that the use of the 3-part name type in 2000 (driven, in part, by internet euphoria) harkened back 200 years to the 1800s! However, Glynn and Marquis (2004) demonstrated how quickly this nomenclature reversed itself, when the “dot-com” appendix was dropped in the wake of the Internet bust. And so, history may limit on the present, by identifying legitimate monikers with which to label organizations’ identities.

Future work on identity might examine these dynamics at even higher levels of analysis, looking to the emergent properties of identities for organizational fields and historical periods. Changes at the firm level in naming practices aggregate to affect both local and global environments and, in turn, these cumulative changes influence
subsequent choices of organizational names and the extent to which organizational identity labels are ambiguous.

As well, we might look to institutional logics and rules as organizing imperatives for the identities of fields or historical epochs. Rules function as a form of control to define and identify fields cohesively; the symbolic isomorphism that we have shown in our two studies evidences the strength of this imperative in unifying fields and holding the system in place. We have looked at just one marker in this identity dynamic, i.e., the use of real words in the organizational name. Obviously, we might look to other markers of identity, e.g., other name attributes, other organizational symbols (e.g., logos, slogans, design elements, etc.), and other organizational attributes (e.g., leader characteristics), and examine the strength to which they exert control over the organizations that populate the field. Interesting questions arise: Do different kinds of institutional logics differ in their ability to sustain a field or legitimate it? Are different logics harder to sustain over time? Are some logics over-used in identity dynamics? Do some logics over-constrain organizations’ expressions of identity and identity ambiguity? We hope that our chapter will not only provoke questions, but also answers, to these and other questions that center on identity dynamics in the modern organization.
REFERENCES


Table 1

Historical Pattern of Name Changes:
Data on the use of real words in old and new organizational names

<table>
<thead>
<tr>
<th>Year</th>
<th>Changes</th>
<th># Name</th>
<th>Use of REAL words in OLD name</th>
<th>Use of REAL words in NEW name</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>No real (0)</td>
<td>Combo (1)</td>
</tr>
<tr>
<td>1972</td>
<td>420</td>
<td></td>
<td>32</td>
<td>65</td>
</tr>
<tr>
<td>1973</td>
<td>360</td>
<td></td>
<td>34</td>
<td>57</td>
</tr>
<tr>
<td>1974</td>
<td>190</td>
<td></td>
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Table 2

Descriptive Statistics for Variables Used in Regressions of Real Words in an Organizational Name, 1982-1987

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<th>4</th>
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<th>6</th>
<th>7</th>
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<td>1 Real Words in New Name</td>
<td>0.81</td>
<td>0.39</td>
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<td>2 Historical Era</td>
<td>2.75</td>
<td>1.72</td>
<td>.02</td>
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<tr>
<td>3 Length of Name</td>
<td>15.08</td>
<td>6.35</td>
<td>.54*</td>
<td>-.04</td>
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<td>4 Real Words in Old Name</td>
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<td>0.70</td>
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<td>-.01</td>
<td>.02</td>
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<tr>
<td>5 Large Firm (1 if F500)</td>
<td>0.24</td>
<td>0.55</td>
<td>.01</td>
<td>.03</td>
<td>-.02</td>
<td>.04</td>
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<td>Institutional Prevalence of Real Word Names</td>
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<td>0.17</td>
<td>.22*</td>
<td>-.08*</td>
<td>.13*</td>
<td>.14*</td>
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<td>Average Name Length, Firm Industry</td>
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<td>1.45</td>
<td>.14*</td>
<td>-.07*</td>
<td>.27*</td>
<td>.07*</td>
<td>.12*</td>
<td>.48*</td>
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<tr>
<td>8 Environmental Uncertainty</td>
<td>24.98</td>
<td>113.0</td>
<td>-.08*</td>
<td>.04</td>
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<td>-.03</td>
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*p < .05
Table 3
Predicting Use of Real Words in Organizational Name, 1982-1987
for organizations changing their name

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<th>1987</th>
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</thead>
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<td>Historical Era</td>
<td>0.096</td>
<td>0.166</td>
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<tr>
<td></td>
<td>(0.054)*</td>
<td>(0.075)*</td>
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<tr>
<td>Length of Name</td>
<td>0.432</td>
<td>0.412</td>
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<tr>
<td></td>
<td>(0.026)**</td>
<td>(0.035)**</td>
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<tr>
<td>Real Words in Old Name</td>
<td>1.036</td>
<td>1.033</td>
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<tr>
<td></td>
<td>(0.131)**</td>
<td>(0.179)**</td>
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<tr>
<td>Large Firm (1 if Fortune 500 company)</td>
<td>0.128</td>
<td>0.246</td>
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<tr>
<td></td>
<td>(0.171)</td>
<td>(0.238)</td>
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<td>Institutional Prevalence of Real Word Names</td>
<td>3.11</td>
<td>2.077</td>
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<td></td>
<td>(0.589)**</td>
<td>(0.973)*</td>
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<tr>
<td>Average Name Length, Firm Industry</td>
<td>-0.226</td>
<td>-0.147</td>
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<tr>
<td></td>
<td>(0.067)**</td>
<td>(0.104)</td>
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<tr>
<td>Environmental Uncertainty</td>
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<tr>
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<td>(0.001)</td>
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<td>(1.017)**</td>
<td>(1.707)**</td>
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<td>Observations</td>
<td>1581</td>
<td>779</td>
</tr>
</tbody>
</table>

Standard errors in parentheses
* significant at 5%; ** significant at 1%
Figure 1

Historical Pattern of Name Changes, 1972-1988:
Use of real words in old organizational names
Figure 2

Historical Pattern of Name Changes, 1972-1988:
Use of real words in new organizational names