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Sense-Making in Identity Construction Revisited: Super Tuscan Wines and Invalidated Institutional Constraints

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ABSTRACT

This paper examined seemingly well-working compromises in identity construction, questioning whether the compromises could function only nominally in practice. The literature has paid attention to the conflicts which end up functionally sense-making, through either unilaterally enforced or mutually assimilated compromises. In contrast, this paper's analysis of Super Tuscan wines under the Italian government's quality regulation illustrated that the compromises between wineries and classification systems do not work well and make the classification systems meaningless in the end. This study thus argued that compromises in identity construction do not always result in functionally sense-making outcomes: they could be only nominal. This study suggested that idiosyncratic institutional contexts, such as weak organizational legacy, affect the results of identity construction in functional terms. At last, the theoretical and practical implications both in organization and management of this study were well discussed.

1. INTRODUCTION

Studies of identity construction, analyzed in a frame of individuals in organization (Alvesson, 1994; Garcia & Hardy, 2007) or organizations in society (Scott-Morton & Podolny, 2002; Rao, Philippe, & Durand, 2003), have suggested that conflicts in the process of change resolve with either newly defined roles of individuals and organizations or modified environmental constraints. This suggestion implies that either individuals and organizations or environmental constraints adapt to the newly required duties as a result of compromises in identity construction and eventually conduct the new functions, regardless of whether the compromises are an outcome of unilaterally forced obedience or not. Even an alternative

perspective, which sheds light on the conflicting process of compromises through crooked paths of challenge and counter-response, provides a similar conclusion of adaptation: compromises in identity construction through both individual adaptation and environmental modification are functionally sense-making. Sense-making indicates individuals or organizations work to understand confusing events and provide plausible accounts for order (Weick, 1995). For instance, the Michelin Guide, succumbed to the emerging rationale for nouvelle cuisine, replaced its evaluation criteria with a new standard and then was maintained its reputation as an umpire (Rao et al., 2003). Even though the identity construction in the French nouvelle cuisine is a result of unilateral force from creative individuals, the institutional constraints reconstruct

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themselves and recover their identity roles.

However, current studies of identity construction pay less attention to destructive outcomes of the compromises, since they premise that identity construction, regardless of different levels of analysis such as individual or organization, leads to individual adaptation and/or environmental modification, and that they consequently adopt newly defined roles voluntarily or compulsorily. This perspective, unfortunately, does not consider the case in which adapted individuals or modified environmental constraints perform only nominal functions and lose the meaning of their adjusted identity roles. In practice, this means that identity construction, even though it seems to bring about functionally sense-making compromises, could be a unilateral enforcement of the rationale for one side, making the identity roles of the other meaningless. Under overwhelming reform process of an organization, for instance, individuals might neither adapt to newly defined roles nor transform the dominant environmental constraints, only executing nominal duties under disguised adaptation and making the organization not perform well. We often observe this phenomenon in the disappointing and finally failed outcomes of M&A.

This paper, thus, develops a theoretical framework that can predict both results of compromises in identity construction: sense-making versus meaningless in functional terms. That is, the framework suggested in this study helps to understand that the compromises in the process of identity construction could bring about two contrasting outcomes. On the one hand, the compromises lead to well-functioning consequence, while they produce unfavorable or even damaging effects. We further examine what results the meaningless compromises in identity construction bring about to the performance of individuals or organization. We draw on Super Tuscan wines in Italy. Innovative wineries initiated resistance in identity construction of Tuscan wines, by breaching the classification rules imposed by the Italian government. The emerging force for new wines, emanating from the resistant wineries, was dominant and subsequently the authorities have embraced the rule-breaking wineries by revising the classification systems of DOC (*Denominazione di Origine Controllata*)/DOCG (*Denominazione di Origine Controllata e Garantita*) with introduction of IGT (*Indicazione Geografica Tipica*) class. The institutional constraints have been modified and become co-existing with the resistant individuals. However, the quality regulation systems represented by DOC and DOCG have been

meaningless in practice: "you'll find the secret to success in buying Tuscan wine is to ignore everything on the label except the name of the producer" (Waldin, 2006). This phenomenon suggests that seemingly well-working compromises in identity construction could be a disguised adaptation and make the identity roles of one side invalid.

This paper consists of the following four sections. Firstly, review of the literature suggests that studies of identity construction have paid less attention to the meaningless outcome in the sense-making compromises of identity construction. The second section develops a framework to understand contrasting outcomes of identity construction and analyzes institutional conditions for the invalidated identity roles of one side. The third section examines an exemplary case in which the compromises in identity construction of Tuscan wines result in nominal functions of the Italian classification systems in practice. Finally, we discuss theoretical and empirical implications of the meaningless outcomes in identity construction.

2. REVIEW OF THE LITERATURE

2.1. Identity Construction at The Individual Level

Identity construction, defined as building and transforming of meanings about "who am I?" in relation to others, organizations, and environments (Gioia, 1998), is triggered by newly imposed organizational or institutional constraints. The literature has drawn on the process of adjustment and its consequences between individual and organization or between organization and society. At the level of between individual and organization, the emphasis has been put on the issue of how individuals in organization understand the meaning of organizational constraints and interpret and transform them to adapt to the organizational demands. At a time of reform, for instance, in higher education of Australia (Garcia & Hardy, 2007) and in public organization of the UK (Thomas & Davies, 2005), it becomes an emerging issue for members in organization how to identify themselves in relation to their newly defined organizational environments. However, it is not reasonable to assume that members in organization always adapt themselves to their newly defined environments without conflicts. Sometimes they do reluctantly, while in other times they do with creative manipulation of the meanings of the newly imposed organizational constraints.

Regardless of whether the process of individual adaptation to new organizational environment is going through friction-

less adjustment or not, the common conclusion of the research on identity construction suggests functionally sense-making and thus well-working compromises. The compromises through crooked path are found, for instance, in the construction of managerial identities under new public management (NPM) (Thomas & Davies, 2005). Managers in police constabulary and a head teacher in secondary education have reached compromising adaptation through repositioning themselves in newly given organizational constraints, even though they show both reluctant adoption and arbitrary transformation of the organizational meanings. This compromise eventually helps individuals and organizational constraints to coexist with newly defined meanings.

This understanding of sense-making compromise, however, does not consider destructive outcomes of the compromises in identity construction: individuals or organizational constraints adopt newly defined roles and act under disguised sense-making, but with sustained conflicts, consequently resulting in meaningless roles of the one side involved. For instance, a reform in higher education could end up without achieving original purposes, since resistant individuals could pretend to perform newly imposed identity roles, only doing nominal requirements. In this situation, if the influence of nominally adapted individuals is dominant and, as a result, the organizational constraints are modified to embrace the resistant individuals by changing elements of the reform, the adjusted organizational constraints could be meaningless in practice, even though they do nominal functions. Nevertheless, less attention has been paid to the contrasting outcomes of compromises in identity construction.

2.2. Identity Construction at The Organizational Level

Studies of identity construction at the level of between organization and society have also suggested similar implications: conflicts between organization and institutional constraints end up with functionally well-working compromises. Institutional forces for reform could facilitate adjusted identity roles of organization. For instance, the enforcement of civil service reform by cities, which depends on "the extent to which the measure is institutionalized - whether by law or by gradual legitimation" (Tolbert & Zucker, 1983), shows that public organizations are doing newly established identity roles through the process of identity reconstruction. Organizations also utilize identity roles endorsed by institutional set-ups, which leads to consolidation of the fit between organization

and society by adapting to institutional constraints. A research, which analyzed the complementary effects of appellation and quality reputation in the California wine industry, suggests that wineries take advantage of identity fit with various institutional set-ups (Benjamin & Podolny, 1999).

On the other hand, identity construction may result in altering the identity roles of institutions, when resistant individuals are stronger enough to affect institutional constraints. The *nouvelle cuisine* in the French gastronomy, which has replaced the classical one during the late 20th century, facilitated the alteration of institutional constraints such as the evaluating criteria of Michelin Guide (Rao et al., 2003). The institutional environments for the French gastronomy thus surrendered their old-fashioned logics, making compromises through accommodating a set of emerging logics triggered by innovative restaurants and chefs. This result explains that the trajectory of identity construction in a society follows compromising transformation between resistant subjects and institutional constraints. In the case of French *nouvelle cuisine*, the conflicts between emerging forces of individuals and constraints of institutional environments dissolve with institutional modification, which helps the institutional environment to sustain their influence.

2.3. The Contrasting Outcomes of Compromises in Identity Construction

The cases of NPM and French *Nouvelle cuisine* illustrate that identity construction should bring about alterations of either individuals or institutional constraints through compromising interactions. However, the literature of identity construction and subsequent outcomes has paid attention mainly to sense-making and consequently well-working compromises. The literature explains successful adaptation of individuals to new institutional constraints or well-working institutional modification to accommodate resistant individuals. Even though there might be a case in which conflict between individuals and organizational constraints cannot be resolved or can be only nominal, the literature pays little attention to providing explanations or suggesting a framework to understand non-compromising or nominally compromising results of identity construction. We might observe that resistant individuals refuse adaptation to new organizational constraints, making the constraints adopt changes to embrace the resistant subjects and finally lose their original identity roles. As a result of merger and acquisition (M&A), for instance,

employees of a merged firm could resist approving new organizational regulations of a merger and thus remain as dissidents under the guise of nominal adaptation. The case of unresolved conflict in the process of identity construction could also be found at the level of society. Individuals could disapprove a new logic of institutional constraints.

In addition, institutions might not embrace the dissenting logics of individuals despite some modifications. The Super Tuscan wines in Italy provide an example. The Italian quality regulation systems accommodate the resistant Super Tuscan wines in their classification order, but under down the DOC/DOCG, even though market evaluation of the Super Tuscan is usually higher than that of DOC/DOCG wines. The Super Tuscan wines still do not respect the DOC/DOCG regulations. Consequently quality regulation systems function just nominally, implying that the seemingly sense-making comprises between resistant individuals and modified institutional constraints result in, in practice, malfunction of the institutional constraints.

We need a framework to explain the contrasting outcomes of compromises in identity construction outside well-functioning results under new regimes of individual resistance or organizational constraints. Fig. 1 illustrates the missing dimension in the literature of identity construction. The analysis of identity construction has not paid enough attention to the opposite consequences in functional dimension: sense-making versus nominal compromises. Figure 1 shows that the literature has relatively focused on the left domain. The nominal adaptation in identity construction, which leads to invalidation of identity roles of one side found in the right domain, has not been analyzed appropriately. This paper, drawing on the right bottom part of Fig. 1, develops an analytical framework to understand the functionally meaningless compromises. We further examine the elements that cause the conflicts in

identity construction to be sustained, making institutional constraints invalid in practice.

3. A THEORETICAL FRAMEWORK FOR THE TRAJECTORY OF IDENTITY CONSTRUCTION

Compromises between individuals and organization or between organization and society are not always constructive and thus their relationships could bring about two types of outcomes in functional terms: sense-making or meaningless. In contrast to institutional fit (Bourdieu, 1979, 1984) found in the left domain of Fig. 1, which shows the compromises leading to functional congruence, the compromises occurred in the right domain are far from congruence. The literature has assumed that the outcomes of compromises facilitate the adjusted roles of individual and organization to function well in the horizontal dimension. However, we understand that the incongruent compromises lack institutional fit. Characterized as nominal, we explain the destructive result of identity construction in terms of institutional legacy combined with contingency. Fig. 2 explains why some outcomes of identity construction result in nominal adaptations of individual or organization, shedding light on the dimension of institutional legacy.

3.1. Contingency and Institutional Legacy in Identity Construction

The contingency dimension explains the interaction between individual and organization, illustrating which part of the two will dominate the compromising process. If resource contingency is dominant in identity construction, on the one hand, environmental constraints are not highly deterministic in shaping organizational identity (Oliver, 1988). On the other hand, if regulatory stringency dominates, the trajectory of identity construction will be inclined to the rationale for or-

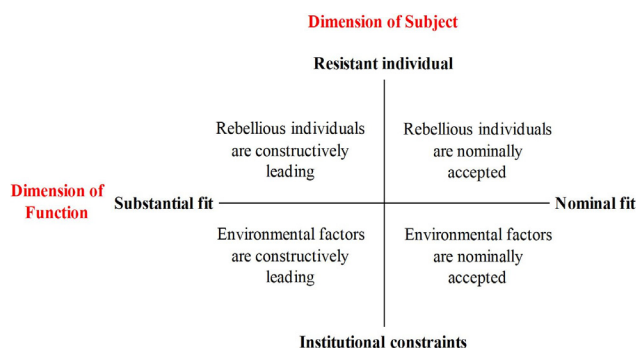


Fig. 1. Two dimensions in identity construction.

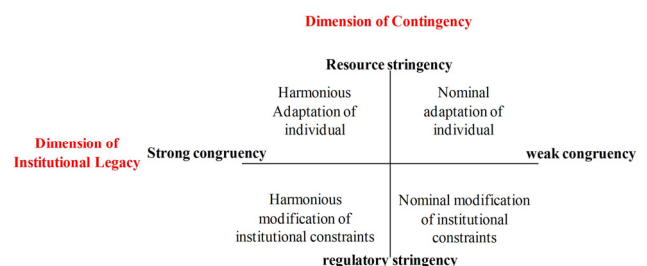


Fig. 2. A framework for the trajectory of identity construction.

ganizational environment (DiMaggio & Powell, 1983). This vertical dimension of contingency helps to estimate who assumes the leading role for compromises in identity construction: whether they are overwhelmed by individuals or environmental constraints. However, the analysis drawing on only this contingency dimension is not enough to answer to the question of whether the results of compromises work well.

The horizontal dimension of institutional legacy, in contrast, draws on the macro aspect of identity construction. Figure 2 suggests that if individual and organization act in the institutional legacy of strong congruence, the process of conflict adjustment can result in harmonious adoption of new identity roles through crooked path or unilateral enforcement. However, individual and organization in the institutional legacy of weak congruence might be far from the harmonious alteration of identity roles. This means that the right domain of Figure 2 does not provide a tradition of consistent compromises to which individual and organization conform in the process of identity construction.

Fig. 2 explains that the society of congruent institutional legacy facilitates its members and institutional components to respond to change with functionally sense-making, regardless of whether the compromises are enforced by one side or arranged by mutual concession. However, the society with a tradition of incongruent institutional legacy provides the institutional environment in which conflicts between individual and organization in identity construction could be nominal compromises, leading to meaningless identity roles of one side. We explain the distinctiveness between the right and left domains by borrowing the concept of *habitus* (Bourdieu, 1979, 1984), which means a “fit with cultural capital and status” (Alvesson, 1994). In the *habitus* of incongruent institutional legacy, the seemingly well-working compromises might be in fact a disguised form of unsolved conflicts, making individual or organization assume only nominal functions. For instance, the institutional legacy of weak congruency could not sanction resistant individuals, even though they do not follow newly introduced institutional constraints. It is because the incongruent institutional legacy could acknowledge the disturbing behavior, not regarding it as intolerant in their *habitus*.

3.2. Institutional Characteristics in Identity Construction

The theoretical framework in Fig. 2 illustrates that studies of identity construction have mainly focused on the process

of compromises and the result of well-functioning adaptation. While focusing on the compromising process between individual and organization, the literature has been less concerned with the institutional environment that affects the result of compromises in functional terms. The relationship between institutional arrangements and organizational/ individual responses is well noted: “institutional incongruence facilitates organizational discretion” (Goodrick & Salancik, 1996; Goodstein, 1994). Even though studies of organizational response to institutional pressure draw more attention on the extent to which organizations adopt institutional constraints, their arguments imply that the characteristics of institutional arrangements affect the trajectory of identity construction: whether the compromises are functionally sense-making or meaningless.

The theoretical framework in Fig. 2 is distinct from the model of organizational identification which suggests three cognitive outcomes: “dis-identification, schizo-identification, and neutral-identification” (Elsbach, 1999). Even though the three outcomes explain alienating results of identity construction from organization’s constraints, they mainly analyze the micro dimension of identification, focusing on individual’s reaction to organization (see Humphreys & Brown, 2002, for an instance). This inclination to micro dimension leads to the neglect of environmental dimension in analysis of identity construction. In contrast, the suggested framework in Fig. 2 considers the interaction between constituents and environment and its effects on both sides. Drawing on the right bottom dimension in Fig. 2, this paper analyzes the possible outcomes of identity construction in which the influence of seemingly adjusted but actually resistant individuals is dominant and consequently institutional constraints become only nominal, making the identity construction based on individual’s discretion result in the lost identity roles of institutional constraints.

4. IDENTITY CONSTRUCTION OF TUSCAN WINERIES AND THE CLASSIFICATION SYSTEMS IN ITALY

The institutional characteristics of Italy serve as an exemplary economy of incongruent institutional legacy (Hancké, Rhodes, & Thatcher, 2007; Orrù, 1997). While the Italian society has kept hierarchical relationships in political arena, measured by power distance and bureaucratic delays (Hofstede, 2001),

it lacks tightly coordinated economic activities. Italy is thus contrasted with state-led economies such as France in terms of government's tight coordination and national champions program. Italy has also experienced a transition from regulated to market-governed economic activities. Faced with globalisation and expanded EU, Italy has no option but to rely on market mechanisms to mobilise resources for economic development, which resulted in a systematic process of privatization and deregulation (Vercelli & Fiordoni, 2003). All these institutional distinctions characterise Italy as a relatively unorganized and consequently inconsistent economy. The incongruent organizational characteristics of Italy highlight its weak institutional legacies, acting as an appropriate instrument for the analysis of meaningless compromises in identity construction of Tuscan wineries under newly introduced DOC/DOCG regulations.

4.1. Institutional Set-Ups and Wineries' Challenge in the 1960–70s

The Italian wine industry in the 1950's and 1960's enjoyed its heyday with the reputation of the largest wine exporter. However, the Italian wine in those times was recognized only in quantity, even though it has boasted its viniculture originated from the Roman Empire. The reputation without consideration of quality is no longer fit to compete on international markets. To reconstruct a competent identity of quality wines out of the tarnished images, such as poor body and fleeting aroma, the Italian Ministry of Agriculture and Forestry introduced a classification law, facilitating the Italian traditions for cultivation of grapevines and wine-making. Chianti, a Tuscan region, was the first to be granted a designation of origin (DOC) in 1963. Similar with the French AOC system, the classification law in 1963 enforced strict guidelines on wine producers in terms of origin, quality, and genuineness by regulating grape varieties, production methods and quantities, and alcoholic levels (Fregoni, 1992). Under this system, all Italian wines belonged to one of the two classifications: table or DOC wines. Since the DOC system emphasized genuineness and purity, it authorized wineries to plant local varieties and to follow traditional viniculture. For instance, wineries in Tuscany should plant Sangiovese and blend it with white grapes, such as Trebbiano and Malvasia, in the cause to give some freshness (Waldin, 2006).

Thus the story of modern Tuscan wine, which is to "decide which vines to plant and how to cultivate them" (Johnson,

2000), has been regulated by the institutional constraints of DOC systems. However, the identity of modern Tuscan wines has been actually implemented by individual wineries breaching the regulations. It relies on the international French grapes such as the Cabernets and Merlot. In 1968, Antinori launched a quality wine, Sassicaia, with Cabernets, both Sauvignon and Franc, escaping the regulating but not appealing guidelines of the 1963 DOC system. The DOC system then required Chianti, a typical Tuscan wine, to be made from a proportion of white grapes, from 10% up to 30%, to achieve refined taste of local reds, Sangiovese and Canaiolo (Johnson, 2000). Thus Sassicaia, which means 'stony' in Italian, appeared in markets with the label of 'vino da tavola' down below the DOC classification.

In 1970, Antinori marketed Tignanello, a quality wine named after the vine yard. In technical terms, it was not a Chianti, made from Sangiovese alone, later blended with Cabernets, matured in French oak barrels (Johnson, 2000). This was the first Sangiovese to be aged in barriques, the first modern red wine blended with non-traditional varieties like Cabernets, and one of the first red wines in Chianti not to use white grapes (source: www.antinori.it). Tignanello, originally called "Chianti Classico Riserva vigneto Tignanello", became a Tuscan table wine due to its breach of the DOC rules and was named Tignanello with the 1971 vintage. In 1975 the percentage of white grapes was definitively removed, with addition of Cabernets. Since 1982 the composition has remained the same: 85% Sangiovese, 10% Cabernet Sauvignon and 5% Cabernet Franc. In 1978, Antinori introduced Solaia, a new blend of Cabernets: Cabernet Sauvignon 80% and Cabernet Franc 20%. Adding up to 20% Sangiovese to the composition in subsequent years, Solaia became a wine with reversed proportions of Tignanello. Both wines stayed outside the DOC system, voluntarily stepping down to the status of humble table wine.

These rebellious wines have been classified as vino da tavola, due to their violation of the official blending rules for the Tuscan region. While the DOC system regulates that wines from Tuscany are made from Sangiovese as a dominant variety, and that white grapes are blended, wineries for the new Tuscan wines have utilized Bordeaux varieties as a main ingredient and eliminated the white grapes.

4.2. Consolidated Conflicts between Institutions and Wineries in the 1980s

The DOC system was not successful to establish the identity of quality wines in Italy. Italian quality wines that achieved international reputation in the 1970s are not from the DOC system, but from the class of *vino da tavola*. Some famous wineries, such as Antinori, intentionally degraded their wines, breaching the regulations of grape varieties and blending rules. These rebellious wineries have not been strictly sanctioned by the authorities. Instead, they achieved international reputation and subsequent marketing success. In response to the disappointingly-working DOC system, a prestigious classification was awarded to a few selected regions in 1980: the guaranteed DOC (DOCG). In hierarchical order of quality, DOCG comes first, DOC ranks second and table wine (*Vino da Tavola*) comes last. While both DOC and DOCG wines are regulated in terms of geographical zones and grape varieties, DOCG wines should pass a blind taste test by government-licensed personnel and meet stricter regulations such as tightened quantity limits and increased alcoholic levels. There were originally four DOCG appellations: Barbaresco and Barolo in Piedmont and Brunello di Montalcino and *Vino Nobile di Montepulciano* in Tuscany (Anderson, 2000). It has expanded to cover more than 30 appellations, as of 2006, such as Chianti, Chianti Classico, and Vernaccia di San Gimignano, to name a few.

Nonetheless, the rebellious behaviors of innovative wineries have continued even under the DOCG system, since the consolidated DOC/DOCG rules still prohibited the blend of traditional and international varieties. Cabernets, Merlot, and Syrah have attained their grounds in characterizing Tuscan quality wines: "Merlot looked a promising way of softening acerbic Sangiovese, while Syrah might contribute a deeper layer of fruit" (Johnson, 2000: 29). Ornellaia, planted in 1981 and firstly marketed in 1985 by Marchese Lodovico Antinori of the Antinori family, has been a Cabernet Sauvignon cuvée with a decent proportion of Merlot, Cabernet Franc, and Petit Verdot (source: www.ornellaia.com). The Ornellaia estate has also produced a wine of pure Merlot, Masseto, since 1986 with the price tag of twice higher than those of other wines in the estate. Even though the estate has marketed a traditional variety-based wine with 50% Sangiovese, Le Volte, it has achieved the balance by adding Cabernet Sauvignon and Merlot. All the wines in the Ornellaia estate have not satisfied the requirements of the DOC/DOCG rules, consequently invalidating the regulations and downgrading their quality status to the lowest level, *vino da tavola*. In addition to the deviant

blends of non-traditional grapes, the wines have been aged in the barriques of French oak. Other examples of the renowned challenge in Tuscan wine-making are Aljoscha's "Il Corzano", a blend of Sangiovese and Cabernet with a little Merlot, and "Redigaffi", a Parker-acclaimed wine of Tua Rita with 100% Merlot. The philosophy of those rule-breaking wine makers in Tuscany is not going well with the DOC/DOCG rules whose aim is to keep the Italian tradition in viniculture. The wineries wanted to establish the identity of quality wines with Bordeaux grapes.

In consequence, the quality reputation of Tuscan wineries in the 1980s did not come from the DOC/DOCG classifications, the efforts of the authorities to construct the identity of quality wines with Italian traditions. Even though the DOC/DOCG systems tried to improve the quality of Italian wines and contribute to the identity construction, they were short of persuading wine producers and consumers to rely on the DOC/DOCG appellations in buying Italian quality wines. The evaluation of wine critics often favors the wines outside the classification systems. The so-called Super Tuscans have not followed the newly introduced institutional constraints such as DOC/DOCG. Super Tuscan wines were still pressed from imported varieties from Bordeaux, such as Cabernet Sauvignon, and aged in French oak barrels instead of the traditional large Slovenian oak casks or chestnut wood. Given that the official definition of table wine indicates an inferior quaffing wine down below the qualifying systems of DOC/DOCG, the identity construction of quality wines in Tuscany, which largely relied on *vino da tavola*, finally denotes the invalidation of institutional constraints. This phenomenon, in which the identity roles of one side become nominal and lose their meaning in functional terms, has not been paid much attention.

4.3. Compromises between Classification Systems and Resistant Wineries since the 1990s

For the criticism that the DOC/DOCG systems do not reflect globalization in wine industry, such as the popularity of French varieties, the Italian government decided to embrace the resistant wineries into the classification systems. The Goria law introduced a revised regulation system in 1992, dividing the typical table wines into two types: *vino da tavola* and IGT. The IGT classification, as the Italian equivalent of *vins de pays* of France, allows wineries to list geographic names on label and blend diverse grape varieties, regardless of whether they

are domestic or imported. The proactive regulation to include French varieties is a result of compromises in the process of identity construction for quality wines. Thus the government acknowledged the reality, in which the rebellious wineries intentionally breach the DOC/DOCG rules but achieve market success, and contained them into the classification hierarchies.

However, the law officially positioned the IGT wines under the umbrella of table wines, still down below the quality wines of DOC/DOCG classification. The IGT wines are prevented from using the zones and subzones employed for DOC/DOCG wines. They do not have to meet the standards of DOC/DOCG laws. For instance, the regulations for alcoholic levels and production quantity are relaxed for IGT wines. These loose regulations for IGT wines correspond to their lower status in the classification systems. Instead, IGT wines can use micro-zones, which are related to single properties, and recognize non-typical geographical indications in individual or association (Fregoni, 1992). We also find vintage and grape varieties on the label of IGT wines. With regard to viniculture, the Italian government moderated its strict stance for tradition and made some corrections for odd regulations in DOC/DOCG systems. For instance, the obligatory use of white grapes in Chianti reds has been removed (Waldin, 2006).

Since the 1990s on, however, the rebellious identity construction outside the official quality systems continued. Called Super Tuscans, the international variety-based wines achieved reputation and marketing success. Even though the Super Tuscans range from 100% Sangiovese, at one extreme, to 100% imported varieties, at the other end, the 100% indigenous grape-based Super Tuscans are practically rare (the "Sangiovese" of the Badia a Coltibuono estate is one of the exceptions). Luce, a result of joint venture between Mondavi and Frescobaldi and now solely owned by the Italian, was produced in 1993 with a blend of Sangiovese and Merlot. With increasing proportion of Merlot up to 55% in the 2005 vintage, the estate of Luce introduced a more internationally appealing wine, Lucente, in 1995. The 2006 vintage of Lucente was blended with 50% Merlot, 35% Sangiovese, and 15% Cabernet Sauvignon (source: www.lucewines.com).

The government's attempt to embrace the challenging wineries into the classification systems led to compromise in the identity construction of quality wines. The so-called Super Tuscan wines achieve identifiable status out of simple vino da tavola. The government keeps the superior status of DOC/DOCG wines to Super Tuscans. However, the sense-making

compromises are not well-working in functional terms. The official classification systems are not helpful for customers to select quality Italian wines and the challenging behavior of the Tuscan wineries is sustained by their focus on international varieties and voluntary downgrading to the lower status of VDT or IGT down under DOC/DOCG systems.

5. RESULTS OF IDENTITY CONSTRUCTION UNDER WEAK INSTITUTIONAL LEGACY

The trajectory of identity construction in the Tuscan wine industry shows crooked-path of organizational change characterized by government initiatives, individual challenges and seemingly sense-making compromises. In contrast to the common observations in the literature, however, we cannot find functionally well-working compromises in identity construction between institutional constraints and organizations. It was not successful for the DOC/DOCG systems to contribute to the identity construction of quality wines from that of quaffing drinks. It was malfunction of institutional constraints that resulted from the compromises in identity construction in Tuscany. Since even DOC/DOCG systems allow wineries to use a limited proportion of international varieties for blending, there is no guarantee whether a Chianti tastes like a Tuscan red or a Bordeaux red. For instance, a DOCG wine of Chianti Classico can be made from 80~100% Sangiovese with additional varieties of traditional Canaiolo and Colorino or international Cabernet and Merlot (Shah, 2006). Thus the DOC/DOCG systems have given up the original purpose to establish their identity of quality wines through Italian traditions and finally made their identity roles just nominal:

It would make more sense if anything labeled Chianti could come only from Tuscan or Italian grapes such as Sangiovese and Canaiolo, leaving IGT and VDT wines to be blended from everything else. Then Chiantis would taste Italian and the IGT wines would taste more international in style. (Waldin, 2006)

The weak institutional legacy in Italy, characterized by bureaucratic process but lack of efficient coordination, facilitated individual wineries to pursue their own identities outside the official regulations. We could not find strict policing of rebellious behaviors of individual wineries. Rather, the institutional constraints have evolved toward embracing the challenging behavior of wineries into classification systems. As a result, international varieties are officially allowed for blen-

ding even for DOCG wines and a special classification, IGT, was devised for the rebellious wineries. All these occurrences contributed to the invalidation of the institutional constraints and finally made them meaningless:

It's no surprise that the best Chianti subzones like Rufina are trying to break away from Chianti; while growers in Chianti Colline Pisane are dumping the Chianti name in favor of a "Terre di Pisa" designation for their reds, arguing that Chianti has become a meaningless term (Waldin, 2006).

As an evidence for the malfunction of institutional constraints, we cannot find any difference between the tastes of all wines from Chianti (DOC), Chianti Classico (DOCG), and Toscana Rosso (IGT) in Tuscany. Price in market and evaluation by critics have raised the hands of the rule-breaking wine makers. The 2000 vintage of Redigaffi from 100% Merlot, an IGT wine of Tua Rita estate, was awarded 100 Parker points and is traded with a high price tag over 500 Euros. The challenging Tuscan wineries made us realize the secret to success in selecting Tuscan wine: we should not rely on the quality classification on the label. The surrender of the institutional constraints to the challenging individuals results in the criticism that quality wines in Tuscany, broadly in Italy, are not suited for their appellation systems. Even though the Goria law in 1992 aimed to reorganize classification systems and subsequently to arrange quality in line, the reality has not changed substantially. While IGT wines officially fall into the classification of 3rd rank below DOC/DOCG wines, their status in market, measured by critics' evaluation and price tags, is in the reversed order.

6. CONCLUSION

This study provides a couple of theoretical and practical implications in organization and management studies. Theoretically, to understand the process of identity construction for quality wines in the Tuscan wine industry, we have suggested a perspective combined with institutional legacy and contingency, beyond the framework of resistance which mainly considers sense-making compromises. The literature has explained that the competing rationales between constituents and institutional constraints result in compromises and bring about adjusted identity roles of one side or both sides, regardless of whether the compromises are an outcome of unilaterally enforced obedience or mutually accepted

arrangements. The adjusted identity roles subsequently end up sense-making outcomes in functional terms. In contrast, the case of Tuscan wineries shows that seemingly sense-making compromises in identity construction of quality wines may bring about different outcomes under idiosyncratic institutional environments. The Super Tuscan wines illustrate that innovative wineries under weak institutional legacy successfully lead identity construction beyond institutional boundaries and consequently make the institutional constraints relax their strict regulations and arrange some modifications for the challenging wineries. Thus the identity roles of classification systems become meaningless as an index of quality wines.

Practically, the confusing institutional constraints and the existence of rigorous wineries in Tuscany explain that compromises in identity construction under weak institutional legacy may result in the loss of identity roles of institutional constraints. The finding in this study implies that individuals could effectively challenge institutional constraints under specific conditions and lead the process of identity construction. We understand the Tuscan puzzle in the concept of "habitus", whose main feature is the ability to "fit in" with regard to conventions and regulations. The weak institutional legacy of Italy, which is represented by the transitional characteristics of Italian business system (Soskice & Hall, 2001), provides a characteristic "habitus" for the Tuscan wine makers to rebuild their identity by breaching the rules set by the Italian government. We thus argue that organizational change should be analyzed in view of idiosyncratic institutional characteristics of an economy, and that the results of compromises in identity construction may show diverse trajectories: functionally sense-making or meaningless. We further observe that even the nominal compromises in identity construction do not always have negative effects on performance: in the Italian habitus, Super Tuscan wines have achieved successful outcomes for the identity of quality wines.

Regarding the direction of future research, we should acknowledge that this study should be further analyzed with more rigorous empirical data, such as wineries' performance outcomes. The theoretical framework of this study, contingency and institutional legacy, could be also sharpened by adopting a comparative approach, such as a comparison of Italian and French wineries in different organizational settings, which show contrasting institutional set-ups such as relatively incongruent and congruent ones.

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