

JOCHEM J. KROEZEN

# The Renewal of Mature Industries

An Examination of the Revival  
of the Dutch Beer Brewing Industry

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An Examination of the Revival of the Dutch Beer Brewing Industry

De Vernieuwing van Volwassen Industrieën  
Een Onderzoek naar de Wederopleving van de Nederlandse Bierindustrie

## **Thesis**

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## Preface

This dissertation is, in the first place, inspired by a growing fascination for the Dutch beer brewing industry. While all of us are likely to have a certain acquaintance with this industry through exposure to its signature product—the success of which is worthy of a dissertation on its own—I discovered that there is much to be learned from the “lesser gods” in this industry. During my graduate education, I had the good fortune to be able to interview many founders of new beer breweries in the Netherlands. Looking back on this time, I can say that this experience has been life changing. The images and stories of these individuals will stay with me for the rest of my life. While these individuals significantly differed in their backgrounds and ambitions, what really stuck with me was the incredible passion each of them displayed as well as their admirable organizational aims. For many, contributing to the enrichment of the collective Dutch beer culture was often just as, or even more, important than maximizing their own brewery’s profitability. I found this kind and degree of entrepreneurial activity especially intriguing in light of the presence of a handful of powerful multinationals that dominated the entire supply chain. Over time, as I learned more about the industry and came to appreciate the long history of beer brewing in the Netherlands, I began to ask myself a range of questions that all boiled down to one: Where did all these new organizations come from? This dissertation will provide an answer to this question through three different empirical studies. I believe strongly that, together, these studies provide valuable insights for scholars, practitioners, and real humans across disciplines, industries and countries.

My fascination for beer aside, this dissertation would not have been possible without the support of an extensive set of amazing people. First, I would like to express my deepest gratitude to my promoter, Pursey Heugens. I remember very well the day that I walked up to one of my lecturers during my undergrad classes in Rotterdam to express my interest in working as a research assistant. Speaking of life changing events, I will never regret the fact that this lecturer happened to be Pursey. From the very beginning since we started working together, Pursey has provided me with unlimited support. I thank him for encouraging me to connect to the rest of the world through participation in conferences and

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I am also very fortunate to have been able to rely on an extensive international network of magnificent individuals. In the first place, I would like to thank Will Felps and Roy Suddaby for their encouragements and invaluable advice throughout my entire PhD trajectory as well as for being such generous referees during my job application process. I owe my success on the job market in part to them. Special thanks to Bill Foster for introducing me to the whole world at ASAC and AOM. Without Bill my network would have been one fifth of the size it is today. Thanks also to Marc-David Seidel, Martin Schulz, Sally Maitlis and the other great members of the OBHR Department at UBC for making my research visit an invaluable experience. I am also greatly indebted to Tom Lawrence and Stephanie Bertels who gave so generously of their time to provide me with feedback during the early stages of my dissertation. Tom made me a better writer through his detailed feedback at various stages during my PhD.

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Last, but certainly not least, I would like to acknowledge my deep indebtedness to my family. My parents, for their continued love and support without which I would not have been able to complete this journey, or any journey for that matter. My beautiful sister Annebel, for providing so many moments of joy and my little/not-so-little-anymore, sister Dafina. I am also greatly indebted to my step father, Eric, for providing me with peaceful part time office space when that was hard to come by in my own house, as well as my in-laws, Joan and Mark, whose endless support and admiration has contributed greatly to my confidence in my abilities. I also want to thank Tom, Jeroen, Teun, Eddie, Jaap, Donna and the many other great friends and extended family that have helped me come all this way.

And finally, the true source of my inspiration and the purpose of my life, my wife Jessica and our son Stellan. Jessica, you are making me whole. Stellan, I am immensely proud of you. I love you both to the moon and back.

Jochem Kroezen

Cambridge,  
September 2014





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# Chapter 1. General Introduction

*Every end is a new beginning.*

*Proverb*

## 1.1 Research Topic: The Renewal of Mature Industries

In 1980, the Dutch beer brewing industry could be described as a “Pilsner desert”. At that time there were only a handful of independent beer producers and their designated products were so homogenous that even connoisseurs and professional tasters could not distinguish between them in blind taste tests (Jansen, 1987). Today, in 2014, the picture is strikingly different. The number of beer breweries has skyrocketed and continues to increase in an exponential fashion. The variety of available beers produced on Dutch soil approximates the variety in both historic and current beer styles that have ever been available worldwide. Due to the emergence of an eclectic set of fundamentally different types of breweries, often referred to as specialty breweries or craft breweries, the Dutch beer brewing industry has transformed from being one of the most stagnant industries to being one of the most innovative industries in the Netherlands. In other words, the Dutch beer brewing industry has experienced an impressive renewal. How can we explain this transition? What caused this entrepreneurial revival? How were founders able to successfully establish new organizations in an intensely competitive mature industry? Where did this organizational and product diversity come from?

An answer to these questions may not be easy to provide. Yet, this phenomenon of renewal does not uniquely apply to the Dutch beer brewing industry. Similar evolutionary trajectories can be observed in the beer brewing industries of the U.S. (Carroll & Swaminathan, 2000) and the U.K. (Lewis, 2001). One could even claim that this



development is exemplary for a general trend in cultural industries more broadly. There are indeed many reported examples of cultural industries that have experienced substantial renewal over the last decades, ranging from beer brewing (Carroll & Swaminathan, 2000), to wine making (Swaminathan, 1995), to radio broadcasting (Greve, Pozner, & Rao, 2006; Navis & Glynn, 2010) and even to gastronomy (Rao, Monin, & Durand, 2003). However, in today's society we can also expect to see many non-cultural industries renew. Increasing awareness of issues surrounding environmental, social and economic sustainability leads to calls for fundamentally new ways of doing business in industries that had long settled around one dominant configuration (e.g., Hambrick, Finkelstein, Cho, & Jackson, 2005). However, despite its frequent empirical observation and its societal relevance, our understanding of the phenomenon of industry renewal remains limited.

One important reason for this dearth in our understanding is that this phenomenon challenges fundamental assumptions behind established theories in economics and industrial organization. First, the sudden influx in entrepreneurial activity in mature industries is at odds with the assumption of 'homo economicus' (Pareto, 1906) since expected monetary returns are, at best, extremely uncertain, if not downright absent during the early stages of renewal. Second, the sudden divergence in terms of organizational identities and products is at odds with the classic idea of an industry life cycle (Klepper & Graddy, 1990), as this observation runs counter to the well-established expectation that industries will eventually stabilize and settle around a dominant design. Thus, in order to address these issues and improve our understanding of industry renewal, we need theory that does not rely on overly narrow assumptions about rational behavior and predictability of industry evolution. Instead, as I will demonstrate, we need to turn to the burgeoning and eclectic literature available under the umbrella of organizational sociology (Scott, 2004; Stinchcombe, 1965). This academic field provides theories that allow us to more accurately explain what provides individuals with the opportunities, the motivation, and the resources to engage in successful entrepreneurial activity in mature industries.

Organizational sociologists frequently choose between two established approaches to explain renewal in mature industries and change in established systems more broadly. One common approach is to see the source of renewal as *exogenous* and explain change by pointing to the introduction of new elements from other systems (Greenwood & Suddaby,

2006; Simons & Roberts, 2008; Sine & David, 2003a). Another common approach is to focus on the actions of organizational actors within the system that promote change in the behavior of other actors (Greenwood & Suddaby, 2006; Maguire, Hardy, & Lawrence, 2004). Although both approaches have clear merits, they cause problems when we want to explain why one organizational system changes while another organizational system does not. Or, when we want to explain how change within an organizational system unfolds over time. In other words, by adopting these approaches we remain incognizant of the factors that make an organizational system “structurally vulnerable toward tipping” (Padgett & Powell, 2012: 26).

An alternative approach that addresses this limitation is to explain change by examining the *endogenous* sources for renewal (e.g. Lomi, Larsen, & Freeman, 2005; Schneiberg, 2007). The main assumption behind this approach is that organizational actors are embedded within social structures that constrain and enable them in their behavior. As such, in order to understand which elements of industries can provide actors with the impetus to engage in renewal activities, we need to turn our empirical lens “inward and backward” (Schneiberg, 2007: 49).

In this dissertation, I will forward this endogenous perspective on industry renewal through three different empirical studies of the Dutch beer brewing industry. The Dutch beer brewing industry provides an ideal case to forward new theory since it resembles an extreme case of industry renewal. The excessive market concentration and homogenization during the better part of the 20th century, followed by a ‘Cambrian explosion’ of new organizations and products around the beginning of the 21<sup>st</sup> century, is almost unprecedented in any other context.

I use the case of the Dutch beer brewing industry to find an answer to three research questions related to the endogenous aspects of the process of industry renewal: (1) What are the endogenous sources of new organizational identities in mature industries? (2) What endogenous organizational resources are available in mature industries that can facilitate successful organizational founding? (3) What are the endogenous factors that contribute to the motivation of organizational actors to become entrepreneurial in mature industries? In answering these questions through this dissertation, I make three main theoretical contributions.

First, I forward new theory on the process of organizational identity emergence. Where previous research has largely ignored the issue of identity emergence (Gioia, Price, Hamilton, & Thomas, 2010) and has been divided across an ontological fault line (Ravasi & Schultz, 2006), I integrate different ontological standpoints to show how new organizations may agentially select and enact different identity claims from a structurally determined reservoir of authentic identity claims. As such, I show how new identities in mature industries do not form in a vacuum, but instead are combinations of pre-existing elements.

Second, I contribute to theory on organizational founding in mature industries. Where most previous research has emphasized the importance of contemporaneous spillovers from other established organizations (e.g. Carroll & Hannan, 1989; Sorenson & Audia, 2000), recent research shows that spillovers also occur “de antiquo” (Dobrev, 2001: 421; Dowell & David, 2011; Greve & Rao, 2012)—from ancestral to descendant organizations. I forward research in this area by providing a micro-level theory of a process that I label as the recycling of “organizational detritus” from local ancestral organizations.

Third and finally, I forward new theory on entrepreneurial mobilization in mature industries. Where previous research has predominantly taken an instrumental approach toward mobilization (Rao et al., 2003), I build on recent research to argue that entrepreneurial mobilization often occurs through, what I refer to as the re-emergence of “dormant logics”. As I will demonstrate in Chapter 4, dormant logics are alternative ways of thinking and acting that may persist in the internal structure of mature industries, even when they appear to be monistic and dominated by one institutional logic.

These contributions will become increasingly clear throughout the following chapters. First, however, I will use the remainder of this introductory chapter to present the roadmap of my thesis. I commence with a more detailed description of the phenomenon of industry renewal and a discussion of relevant strands of research in organizational sociology that I will engage with throughout this dissertation. Second, I will present my three empirical studies that each engage with a unique set of these theories and different aspects of the phenomenon of industry renewal. Third and finally, I will conclude with a

general discussion of how the three studies collectively forward our understanding of industry renewal.

## **1.1 Theoretical Background**

### ***1.1.1 Defining Industry Renewal***

In order to define the process of industry renewal, depicted in Figure 1.1, I begin by contrasting a renewed industry with an “impoverished” industry in terms of three intertwined characteristics.<sup>1</sup> First, an impoverished industry displays homogeneity in terms of its organizational players, products and practices, while a renewed industry displays heterogeneity in terms of these components. The degree of heterogeneity is dependent on the variety in the organizational goals pursued and the organizational means used to pursue them, which determines diversity in organizational identities, product identities and the types of organizational practices.

For example, the pursuit of profit as a primary goal may lead organizations to focus on market expansion and scale advantages. In an impoverished industry all organizational players would have adopted the same primary goal and would have collectively settled on one dominant way of reaching that goal. The state of the Dutch beer brewing industry around 1980 closely resembles such a situation. At that time there were only 13 independent producers of beer that all relied almost exclusively on the production of one type of beer, Pilsner. The five largest players at that time (Heineken, Grolsch, Bavaria, Artois, and Allied Breweries) all had global operations. They focused on market expansion through the international distribution of one signature product, which often involved the acquisition and closure of smaller competing breweries.

Second, an impoverished industry displays concentration of (a) market power, (b) distribution space, and (c) consumer taste, while a renewed industry displays a situation in which (a) dominant market power is challenged, (b) numerous new distribution spaces open up, and (c) consumer tastes become more heterogenous. The concentration depends

---

<sup>1</sup> The term “impoverished” in this context may seem to contain a value judgment. I use it here to refer to industries that are relatively “poor” in terms of the variety in products, organizational actors, and entrepreneurial activity. Of course, these industries could, at the same time, be very productive in a highly efficient manner.

on the number of active organizations, products and tastes in the industry. For example, the Dutch beer brewing industry around 1980 was entirely dominated by a handful of large-scale producers of Pilsner beer. Similarly, almost all of the distribution space in pubs and retailers was allocated to Pilsner beer. Moreover, all but a few consumers had a preference for Pilsner beer and were unaware of alternative products.

Third, an impoverished industry displays limited entrepreneurial activity among (a) incumbents and (b) challengers, while a renewed industry displays widespread entrepreneurial activity among both. The degree of entrepreneurial activity can be reflected by the number of organizational foundings and the number of product introductions. The Dutch beer brewing industry around 1980 displayed very limited entrepreneurial activity. There had not been a single new brewery founding since 50 years and new product introductions had similarly been extremely rare.

**Figure 1.1 The Process of Industry Renewal**



Based on these definitions of impoverished and renewed industries, we can identify at least three mechanisms underlying the process of industry renewal. First, starting at the bottom of the figure, a revival of entrepreneurial activity requires the “production” of entrepreneurs (Weber, Heinze, & DeSoucey, 2008). This is largely a motivational issue, requiring an understanding of how actors in impoverished industries become motivated to engage in organizational founding and/or product innovation when outcomes are highly uncertain. Second, increased dispersion of market power, distribution space and consumer tastes requires, apart from motivated entrepreneurs, the creation and proliferation of new organizations and new products (Carroll & Swaminathan, 2000; Carroll, 1985). This is not only a motivational issue, but also a resource issue, requiring an understanding of the

resources that may be available in impoverished industries that can contribute to entrepreneurial success. Third and finally, diversification in organizational players, products and practices requires, apart from motivated and resourceful entrepreneurs, the emergence of new organizational and product identities (Hsu & Hannan, 2005). This is not only a motivational and a resource issue, but also an issue of opportunities, requiring an understanding of the structural sources that enable and constrain the construction of new identities.

In my dissertation I explore these three specific mechanisms and build new theory about the underlying dynamics in order to, ultimately, forward our understanding of industry renewal. My work draws on various branches of research conducted under the umbrella of organizational sociology that I will discuss in the next section.

### ***1.1.2 Previous Research***

There are multiple branches of literature that provide insights into the three mechanisms discussed above and depicted in Table 1.1. In total, in this dissertation, I will draw on concepts from six specific strands of previous research that can be classified into three broader branches of literature. Here, I provide a brief description of each specific strand (and the broader branch in which it is embedded) and discuss how previous research from each strand may contribute to our understanding of the three different mechanisms underlying industry renewal. The main empirical chapters of this dissertation will build on different combinations of these strands of research and discuss them in more detail.

***Research on the Sociology of Organizational Valuation and Evaluation.*** There is an increasing body of research dealing with the sociological underpinnings of processes of valuation and evaluation in organizational settings (Lamont, 2012). Research in this branch focuses on identifying alternative conceptions of value, understanding the dynamics among these different conceptions in organizational settings and associated implications for organizational behavior. I build on this line of research to illuminate how new organizational identities may emerge in mature industries. Specifically, I build on two strands of research within this branch: research on organizational identity (Albert & Whetten, 1985; Ravasi & Schultz, 2006) and the institutional logics perspective (Friedland & Alford, 1991; Thornton, Ocasio, & Lounsbury, 2012). Research on organizational

identity looks at how organizations may be infused with value and other normative components and how such identity elements may enduringly shape organizational behavior. Most research on this topic focuses on understanding the *process* through which organizational members construct, disrupt and maintain their organization's identities (Gioia et al., 2010; Gioia & Thomas, 1996; Glynn, 2000). However, this research also indirectly sheds light on the sources of identity *content*. Organizational identities appear to be a concoction of claims emanating from the organizations' characteristics and those of its environment (Glynn, 2008). However, relatively limited attention has been paid to the exact sources of organizational identity and how identity may emerge around the time of organizational founding.

The institutional logics perspective looks at the sources of alternative rationalities and the processes through which those may become to determine industry structure. An overarching insight from this perspective is that change in mature industries often goes hand in hand with the emergence of alternative logics (e.g. Haveman & Rao, 1997; Thornton & Ocasio, 1999). Logics are "means-end couplets" that, when institutionalized, function as an important source of identity (Friedland & Alford, 1991; Thornton et al., 2012). What follows from this research is that individual actors that adhere to alternative logics than the dominant logic may be motivated to engage in entrepreneurial activity in order to advance their values and interests (Rao et al., 2003). A limitation of this line of research is that relatively little attention has been paid to how alternative logics may (re-)emerge in mature industries (Thornton et al., 2012).

***Research on the Sociology of Organizational Evolution.*** From the broader branch of organizational sociology that deals with organizational evolution I draw on resource partitioning theory (Carroll & Swaminathan, 2000; Carroll, 1985) and research on the geography of resource spillovers (Greve & Rao, 2012; Schneiberg, 2007; Sorenson & Audia, 2000). The central tenant in this branch of research is to explain how organizational populations co-evolve with their environments. This line of research, in the first place, enhances our understanding of the determinants of successful organizational founding in mature industries. First, resource partitioning theory looks at the structure of entrepreneurial opportunities in mature industries and the role of market concentration in altering that structure in favor of newly emerging organizations. The chief finding of this

research is strong empirical evidence for a relationship between market concentration and the vital rates of new organizations across a wide variety of industries (Carroll et al., 2002). Although the mechanisms underlying this relationship remain relatively underexplored within this strand of research, a more recent integration with social movement theory (see description below) has provided more insights in how market concentration may facilitate the production of entrepreneurs and spur the construction of alternative identities (e.g. Carroll & Swaminathan, 2000; Greve, Pozner, & Rao, 2006).

Research on the geography of resource spillovers looks at how entrepreneurs may benefit from the presence of other organizations for the supply of organizational resources and how the spatial structure of industries functions as a boundary condition on this process. While most research has emphasized how founders are likely to be more successful when they have access to technical and symbolic resources from contemporaneous organizations located in their vicinity (Aharonson, Baum, & Feldman, 2007; Sorenson & Audia, 2000), more recent research suggests that such resources may also spillover “de antiquo” from ancestral organizations to descendant organizations (Dobrev, 2001; Dowell & David, 2011; Greve & Rao, 2012; Schneiberg, 2007). This idea holds promise in explaining how founders may overcome entrepreneurial barriers in impoverished industries that are resource-poor due to the domination of a handful of large organizations. However, similar to resource partitioning theory, the mechanisms underlying such spillovers remain relatively underexplored as theorization within this strand of research is relatively inattentive to the role of individual agency.

***Research on the Sociology of Organizational Action.*** A final branch of research that is relevant for our understanding of industry renewal is research that deals with the sociology of organizational action. There has recently been growing attention to the role of organizational action in institutional theory leading to the development of the popular notion of institutional entrepreneurship (Battilana, Leca, & Boxenbaum, 2009) and the more inclusive notion of institutional work (Lawrence & Suddaby, 2006; Lawrence, Suddaby, & Leca, 2011). However, there is a relatively independent but multidisciplinary strand of research dealing with organizational action that has been around for longer. This is the body of work commonly referred to as social movement theory (McCarthy & Zald,



1977), which has become increasingly integrated in the organizational sociology literature (Rao, Morrill, & Zald, 2000; Schneiberg & Soule, 2005).

Research in these strands focuses on understanding when and how organizational and individual actors may shape the structure of industries and other societal systems. First, social movement theory looks at how collective organizational action may emerge in society and may shape industries and other social systems. An important insight from this research is that marginalized actors may be likely to engage in entrepreneurial behavior when provided with the opportunity to organize (McAdam, McCarthy, & Zald, 1996; McCarthy & Zald, 1977). Many studies have shown how social movements are often the motor behind processes of industry renewal (Carroll & Swaminathan, 2000; Greve et al., 2006; Rao et al., 2003). A limitation of this line of work, however, is that most studies have adopted a rather instrumental view of social movements that harks back to the narrow assumptions about individual rationality prevalent in economics. Recent research has begun to forward a more ideational view by showing how social movements may engage with social identity (Rao et al., 2003).

Finally, the strand of research known under the label of institutional work looks at how individual actors may shape industries and other societal systems through their purposeful actions. Insights from this stream of research are twofold. First, individual actors may indeed shape the structure of industries through the promotion of alternative behavior (Greenwood & Suddaby, 2006; Maguire et al., 2004; Munir & Phillips, 2005). Second, impactful actions are unlikely to be concentrated in one strategically-acting individual actor but are likely to be distributed across a variety of actors that individually may or may not be fully intentional in their efforts (Battilana & D'Aunno, 2009; Battilana et al., 2009). One limitation of this line of work is that there is relatively little empirical evidence showing how industry renewal occurs through such a process of distributed institutional work. Moreover, researchers have argued that we also need to understand how institutional work is enabled and constrained by the structure of the systems that individual actors are embedded in (Kaghan & Lounsbury, 2011).

Table 1.1 Branches and Strands of Organizational Sociology Research and their Relation to the Mechanisms of Industry Renewal

Branch	Strand and Important Works	Description	Organizational Identity Emergence	Organizational Founding	Entrepreneurial Production
Sociology of Organizational Valuation and Evaluation	Organizational Identity (Albert & Whetten, 1985; Ravasi & Schultz, 2006)	Looks at how organizations may be infused with value and other normative components and how these identity elements may enduringly shape organizational behavior.	Although new organizations have a certain degree of discretion over which identity claims to enact, there is a constraining influence of the environment that limits the set of legitimate claims available.	There is an implicit assumption that new organizations with access to a broad cultural repertoire of legitimate identity claims will be more successful.	N/A
<i>The Institutional Logics Perspective</i> (Friedland & Alford, 1991; Thornton, Ocasio, & Lounsbury, 2012)	Looks at the sources of alternative rationalities and the processes through which those may become to determine industry structure.	Shifts in dominant institutional logics in industries constrain available identity elements. Yet, organizational actors typically face at least some degree of plurality in institutional logics which enables differentiation.	Relative shifts in the dominance of different institutional logics influences vital rates of different types of organizations. There is an implicit assumption that organizations which are able to resolve tensions between multiple competing logics will be more successful in the long run.	The dominance of one institutional logic may motivate actors that adhere to alternative logics to engage in entrepreneurial activity.	
Sociology of Organizational Evolution	<i>Resource Partitioning Theory</i> (Carroll, 1985; Carroll & Swaminathan, 2000)	Looks at the structure of entrepreneurial opportunities in mature industries and how market concentration may facilitate organizational founding.	The identities of alternative organizations will strongly oppose those of generalist organizations and will appeal to niche markets.	Market concentration leads to the accumulation of "resources" at the periphery, which improves the vital rates of alternative organizations.	There is an implicit assumption that entrepreneurs will be attracted to "latent opportunities" that emerge when industries concentrate.
<i>The Geography of Resource Spillovers</i> (Sorenson & Audia, 2000; Schneiber, 2007; Greve & Rao, 2012)	Looks at the sources behind the geographic distribution of entrepreneurial resources and how this may affect industry structure.	The identities of alternative organizations are constrained by the identities of contemporaneous and ancestral organizations in the vicinity.	Organizational foundings located in the vicinity of contemporaneous or ancestral organizations are more likely to be successful.	There is an implicit assumption that individuals with access to resources from contemporaneous and ancestral organizations are more likely to become entrepreneurial.	
Sociology of Organizational Action	<i>Social Movement Theory</i> (McCarthy & Zald, 1977; Rao, Monin, & Durand, 2003)	Looks at how collective organizational action may emerge and may shape industries and other societal systems.	The identities of alternative organizations will strongly oppose those of incumbent organizations and will appeal to the new collective identity that emerges out of social movement activity.	The success of new organizational foundings is influenced by the degree to which social movement organizations can provide the necessary technical and symbolic resources.	Peripheral actors may become motivated to engage in entrepreneurial activity when they experience a relative deprivation in their position in an industry and when they have the capacity to organize.
<i>Institutional Work</i> (DiMaggio, 1988; Lawrence & Suddaby, 2006)	Looks at how individual actors may shape industries and other societal systems.	Skillful organizational actors can facilitate the construction of new organizational identities by creating and disrupting identity categories and introducing alternative practices.	Skillful organizational actors can legitimate alternative forms of organizations and enhance vital rates.	Skillful organizational actors can motivate other actors to engage in entrepreneurial activity through work related to the promotion of alternative behavior.	

In contrast to the first two branches of literature, the latter branch does not directly fit under my definition of the endogenous perspective on industry renewal as it focuses on agentic explanations at the expense of internal structuralist explanations. Yet, incorporating this line of research in my dissertation will illuminate how exactly aspects of internal structure may facilitate entrepreneurial action. Therefore, I will make use of concepts from this branch of research and provide a multi-level processual account of how the internal structure of mature industries may provide impetus for renewal.

### ***1.1.3 Theoretical Puzzles***

The discussion of previous research points to three main theoretical puzzles related to the phenomenon of industry renewal. Each puzzle relates to one of the three different mechanisms of industry renewal. First, understanding the mechanism of organizational identity diversification requires a theory of organizational identity emergence in impoverished industries. The current organizational identity literature is largely silent on this issue (cf. Gioia et al., 2010). We have limited understanding of how endogenous environments imprint new organizations with characteristics from which new organizational identities emerge. As such, the first research question addressed in this dissertation is:

- 1. What are the sources of new organizational identities in impoverished industries and how may new organizational identities be constructed?*

Second, understanding what contributes to organizational founding success requires a theory of organizational construction in impoverished industries. Although research typically suggests that founding fates are enhanced when new organizations can tap into the resource pools of other active organizations (Aharonson et al., 2007; Sorenson & Audia, 2000), in impoverished industries such resource pools are arguably very scarce and difficult to access. Yet, we frequently observe the successful emergence of new kinds of organizations (Carroll et al., 2002). We thus have limited understanding of the resources available in impoverished industries that may contribute to founding success. As such, the second research question addressed in this dissertation is:

2. *What organizational resources are available in impoverished industries that can facilitate successful organizational founding and how may founders incorporate these into their new organizations?*

Third and finally, understanding the production of entrepreneurs requires a theory of entrepreneurial mobilization in impoverished industries. Previous research has typically adopted a rather instrumental approach to entrepreneurial mobilization, attributing successful mobilization to the potential for marginalized actors to make instrumental gains and the skill and savyness of a single strategically acting organizational actor to exploit that. However, during the early stages of renewal in impoverished industries, instrumental gains are highly uncertain if not entirely absent. As such, actors are likely to be motivated by non-instrumental motives. This leads to the third and final research question that I address in this dissertation:

3. *What non-instrumental motives do organizational actors have to become entrepreneurial in impoverished industries and how may they be mobilized?*

## 1.2 Dissertation Overview

In order to address the three research questions that are central to this dissertation, in the following chapters I will present three different empirical studies on the Dutch beer brewing industry. In the figures below I will summarize each chapter in terms of (a) its central topic, (b) its chief outcome, (c) the employed theoretical lenses, (d) research method, (e) unit of analysis, (f) sample, and (g) data source. In addition, Table 1.4 provides an overview of the gaps in the literature related to industry renewal addressed by each study and the main contributions.

### 1.2.1 *Study one: Organizational identity formation: Processes of identity imprinting and enactment in the Dutch microbrewing landscape*

In this first study, I focus on the first research question related to the structural determinants in the process of organizational identity emergence in mature industries.

Based on a qualitative investigation of the stories of organizational founders from 59 recently founded Dutch microbreweries, the study forwards a conceptual model of organizational identity formation containing both structurally emergent and constructionist components. The study build on research in the sociology of organizational valuation and evaluation, using old institutionalism as a theoretical lens to integrate several prior findings concerning the potential sources of organizational identity, such as (1) the identities of authoritative organizational insiders, (2) the preferences and judgments of organizational audiences, and (3) the identities of organizational peers. Each of these sources is shown to critically influence the two most central identity formation processes: the initial imprinting of potential identity attributes upon organizations, and the subsequent enactment of a selection of these by organizational insiders.

**Table 1.2 Theoretical and methodological underpinnings of study one**

<b>Topic:</b>	Organizational identity emergence
<b>Outcome:</b>	The formation of a new organizational identity in a mature industry
<b>Processual components:</b>	<ul style="list-style-type: none"> <li>• Imprinting of identity elements from environment on new organization</li> <li>• Enactment of identity claims from a reservoir of legitimated identity elements</li> </ul>
<b>Theoretical lenses:</b>	<ul style="list-style-type: none"> <li>• Organizational identity</li> <li>• Old institutionalism</li> </ul>
<b>Method:</b>	<ul style="list-style-type: none"> <li>• Grounded theory</li> </ul>
<b>Unit of analysis:</b>	Organization
<b>Sample:</b>	59 microbreweries in the Netherlands founded between 1981-2012
<b>Data source:</b>	73 semi-structured interviews, supplemented with texts from brewery websites and news articles from <i>PINT</i> magazine

**1.2.2 Study two: New beer in old kegs: Organizational detritus and organizational founding in the Dutch beer brewing industry**

In the second study, I focus on the second research question related to the structural determinants of successful organizational founding in impoverished industries. The study build on recent research within the sociology of organizational evolution that suggests that

founders may benefit from technical and symbolic resources available from ancestral organizations (Dobrev, 2001; Dowell & David, 2011; Greve & Rao, 2012; Schneiberg, 2007). The study forwards the notion of “organizational detritus” to refer to the elements left behind by ancestral organizations that continue to carry technical and symbolic value well beyond the time of dissolution. The ideas gain empirical support in a study of organizational foundings in the Dutch beer brewing industry between 1981-2011, showing that foundings were more likely to occur in municipalities that were home to previously disbanded ancestral breweries. Additionally, the study shows that new organizations founded in such locations were more likely to use organizational detritus for the construction of new organizational elements.

**Table 1.3 Theoretical and methodological underpinnings of study two**

<b>Topic:</b>	Organizational founding
<b>Outcome:</b>	Successful organizational founding in mature industries
<b>Predictors:</b>	Access to organizational detritus as measured by the local presence of ancestral organizations
<b>Theoretical lenses:</b>	<ul style="list-style-type: none"> <li>• Geography of resources spillovers</li> <li>• Organizational ecology</li> </ul>
<b>Method:</b>	<ul style="list-style-type: none"> <li>• Event history analysis</li> <li>• Content analysis</li> </ul>
<b>Unit of analysis</b>	Municipality, organization
<b>Sample:</b>	178 successful brewery foundings in the Netherlands (1981-2012)
<b>Data source:</b>	Online database maintained by enthusiasts; triangulated and supplemented with a broad variety of secondary sources

### ***1.2.3 Study three: Institutional logic re-emergence after dormancy: The rise of the craft beer market in the Netherlands***

In the third and final empirical study, I focus on the third research question related to the structural determinants of entrepreneurial production in impoverished industries. This chapter builds on a blend of theories from the sociology of organizational valuation and evaluation and the sociology of organizational action in order to suggest that

entrepreneurial production in impoverished industries resembles a process of logic re-emergence. In particular, the study aims to describe how the rise of new markets in impoverished industries can be ascribed to the re-emergence of “dormant institutional logics”. The study concentrates on reporting a longitudinal qualitative study documenting the rise of the Dutch craft beer market and demonstrating how this market emerged when the dormant logics of aesthetics, conservation, and perfection in beer brewing were re-awakened, re-dressed and re-manifested. The study shows how the process of logic re-emergence resembled a process of distributed, collective identity work in which peripheral actor groups were able to re-establish themselves in central positions in the industry.

**Table 1.4 Theoretical and methodological underpinnings of study three**

<b>Topic:</b>	Market emergence through entrepreneurial mobilization
<b>Outcome:</b>	Industry renewal through a shift from a monistic (one dominant logic) to a pluralistic configuration (multiple competing logics)
<b>Processual components:</b>	<ul style="list-style-type: none"> <li>• Structural impetus for entrepreneurial activity over time</li> <li>• Purposeful actions of different actor groups over time</li> </ul>
<b>Theoretical lenses:</b>	<ul style="list-style-type: none"> <li>• Institutional logics perspective</li> <li>• Institutional work</li> <li>• Social movement theory</li> </ul>
<b>Method:</b>	<ul style="list-style-type: none"> <li>• Grounded theory</li> <li>• Process tracing</li> </ul>
<b>Unit of analysis</b>	Industry/Organizational field
<b>Sample:</b>	Case study of the evolution of the Dutch beer brewing industry
<b>Data source:</b>	99 semi-structured interviews with organizational founders and social movement actors, supplemented by a broad variety of secondary sources (news articles, books on beer brewing history)

**Table 1.5 Gaps addressed in this dissertation and intended contributions**

<b>Study</b>	<b>Gap(s)</b>	<b>Main contributions</b>
1. The structural sources of identity imprinting and agentic process of identity enactment surrounding the formation of new organizational identities	<ul style="list-style-type: none"> <li>• Previous research has largely ignored the issue of organizational identity emergence</li> <li>• Previous research largely ignores the role (and origins) of identity content</li> <li>• Previous research is divided along two major ontological fault lines</li> </ul>	<ul style="list-style-type: none"> <li>• Forwarding a process model of organizational identity formation (that is particularly relevant for mature industries)</li> <li>• Incorporating the sources of legitimate elements for the enactment of identity claims into theories of organizational identity construction</li> <li>• Integrating social actor and social constructionist perspectives into a coherent theory of identity formation and construction</li> </ul>
2. The resources available to founders in mature industries that facilitate successful organizational founding	<ul style="list-style-type: none"> <li>• Previous research largely focuses on contemporaneous spillovers</li> <li>• Spillover theories have paid limited attention to the agentic mechanisms</li> </ul>	<ul style="list-style-type: none"> <li>• Forwarding a multilevel theory on “de antiquo” spillovers</li> </ul>
3. The process through which industries evolve from monistic configuration to pluralistic configurations	<ul style="list-style-type: none"> <li>• Previous research is largely silent on the issue of logic (re)-emergence</li> <li>• Previous research generally relies on an instrumental view on the motives of organizational actors</li> </ul>	<ul style="list-style-type: none"> <li>• Forwarding a process model of logic re-emergence</li> <li>• Showing how organizational founders are produced through the successful re-emergence of alternative logics</li> <li>• Showing how a process of logic re-emergence is a distributed, collective identity project</li> </ul>

An important caveat to take into account when reading the proceeding chapters, is that each study was written as an independent research article for journal publication. As such, the focus in these chapters is primarily on explaining theoretical contributions to the specific literatures that each individual study draws on, rather than the studies’ contribution to the overarching theme of the dissertation: the process of industry renewal. The function of the preceding sections is thus to provide a necessary theoretical lens to make more



explicit the link of each individual study to the overarching questions. Finally, in the last chapter I will conclude by interpreting and discussing the findings of the three empirical studies in light of the central research questions in this dissertation.

## **Chapter 2. Organizational Identity Formation: Processes of Identity Imprinting and Enactment in the Dutch Microbrewing Landscape<sup>1</sup>**

### **Abstract**

Based on a qualitative study of 59 recently founded Dutch microbreweries, we develop a conceptual model of organizational identity formation. We employ old institutionalism as a theoretical lens to integrate several prior findings concerning the potential sources of organizational identity, such as (1) the identities of authoritative organizational insiders, (2) the preferences and judgments of organizational audiences, and (3) the identities of organizational peers. Each of these sources is shown to critically influence the two most central identity formation processes: the initial imprinting of potential identity attributes upon organizations, and the subsequent enactment of a selection of these by organizational insiders.

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<sup>1</sup> This study has been published as: Kroezen, J.J., P.P.M.A.R. Heugens. 2012. Organizational identity formation: Processes of identity imprinting and enactment in the Dutch microbrewing landscape. M. Schultz, S. Maguire, A. Langley, H. Tsoukas, eds. *Constructing Identity in and Around Organizations*. Oxford University Press, Oxford, UK, 89–128.

## 2.1 Introduction

Over the past two decades, academic research has highlighted how organizational identity functions as a pivotal organizational resource (Eisenhardt & Santos 2002; Fiol 2001; Rindova & Fombrun 1999; Whetten & Mackey 2002). Empirical studies on organizational identity conducted to date have provided us with a thorough comprehension of the ongoing (re)construction processes related to this resource in mature organizations (Ravasi & Schultz 2006; Corley & Gioia 2004; Dutton & Dukerich 1991). Recently, a new line of organizational identity research has started to develop which contributes to our understanding of how organizational identities are formed from inception (see Gioia, Price, Hamilton, & Thomas (2010) and Clegg, Rhodes, & Kornberger (2007) for pioneering studies). As research on this topic is still in a nascent stage, it is unclear to what extent existing theories derived from the broader administrative sciences can be fruitfully deployed to explain this phenomenon.

Eligible theories must meet at least three criteria. First, admissible theories must be process theories (Pentland 1999; Van de Ven & Poole 1995), as organizational identities do not emerge instantaneously but unfold slowly over time. Second, any appropriate theory must be a multilevel theory (Johns 1999; Klein, Dansereau, & Hall 1994). Whereas identities are a macro-level property of organizations, they are nonetheless grounded in micro-level processes like the construction and enactment of organizational stories, myths, and symbols by individual members. Third, qualifying theories must be amicable to and accommodative of the duality between organizational symbolism and substance (Pfeffer 1981; Westphal & Zajac 1994). Even though identities are symbolic properties of organizations, they are nonetheless grounded in and bounded by substantive organizational properties, which can either support or undermine the authenticity of their organizational identity.

In this chapter we demonstrate that the process of identity formation can successfully be elucidated by a pre-existing body of administrative science work that has become known as ‘old institutionalism’ (DiMaggio & Powell 1991; Selznick 1996) under the influence of rapid developments in the field of institutional theory (see Greenwood, Oliver, Sahlin-Andersson, & Suddaby 2008). Old institutional theory meets the

aforementioned selection criteria, as it is processual in kind (Selznick 1949), open to micro-level explanations of macro-level organizational phenomena (Blau 1964), and accustomed to analyzing both organizational substance and symbolism (Gouldner 1954). The use of old institutional theory opens up promising pathways for the analysis of organizational identity formation, such as likening it to related processes like “value infusion” (Selznick 1957) and (organization-level) “institutionalization” (Stinchcombe 1997).

However, old institutional theory offers no ready-made template for the analysis of organizational identity formation. Instead, it is best seen as a theoretical stepping-stone, which offers researchers conceptual building blocks, theoretical analogies, and a dedicated vocabulary which they can use for the formation of conceptually more specific and empirically more grounded explanatory frameworks for analysis. It is in fact our ambition to use old institutional theory in this manner in this chapter, and to use it as a source of inspiration for the development of a new theoretical model of identity formation, which we simultaneously seek to refine by grounding it in a detailed qualitative study of the Dutch microbrewery field.

The microbrewery sector in the Netherlands—the focus of our empirical work—has experienced a true boom in organizational foundings since 1985, following decades of industry concentration and associated high levels of organizational mortality. Because of this demographic pattern (which in organizational ecology terms resembles a resource partitioning process; Carroll & Hannan 1989; Carroll & Swaminathan 2000), we were able to observe organizational identity formation processes for numerous organizations *in situ* and *in vivo* over the course of a five-year study. We primarily collected qualitative data, complementing our core interview-based data with on-site observations and archival document analysis.

The upshot of our qualitative analyses is a novel model of organizational identity formation, rooted simultaneously in old institutional theory and in detailed empirical research. Apart from its solid theoretical and empirical foundations, the strength of the model primarily lies in its ability to integrate various prior insights into the nature of the identity formation process. While previous research has identified a variety of sources of organizational identity—such as founders and/or top-management (e.g. Scott & Lane

2000), audiences (Ginzel, Kramer, & Sutton 1993) and peer organizations (Clegg et al. 2007)—to date no integrative account of these sources has been presented. Our aim in this chapter is therefore to amalgamate these dispersed insights about the identity formation process into a single integrative model.

Apart from integrating dispersed findings from past research, this chapter contributes to process research on organizational identity by substantiating processes of identity formation. Linking organizational identities to substantive identity sources extends our understanding of how organizations come to develop similar (or different) identities. This is an important question since past research has shown that organizational identities play an important role in individual- (e.g. Ashforth & Mael 1998), organizational- (e.g. Rowley & Moldoveanu 2003; Hannan, Baron, Hsu, & Koçak 2006), as well as field-level outcomes (e.g. Carroll & Swaminathan 2000; Hannan, Pólos, & Carroll 2007).

## **2.2 Theoretical Background**

### **2.2.1 *Organizational Identity***

Organizational identity is typically defined as those aspects of the organization that are most core, enduring, and, distinctive (Albert & Whetten 1985). The original definition, however, provided room for multiple ontological interpretations and two competing perspectives developed: organizational identity as shared understandings (the social constructivist perspective) vs. organizational identity as institutionalized claims (the social actor perspective) (Ravasi & Schultz 2006; Whetten & Mackey 2002). Recent work has shown how both perspectives can be regarded as mutually constitutive (Gioia et al. 2010; Ravasi & Schultz 2006), suggesting that organizational identity should be conceptualized as *both* shared understandings and institutionalized claims.

Previous research on organizational identity formation has demonstrated how new identities are developed through a recurring sequence of collective sensemaking and sensegiving processes by organizational insiders while also ascribing an influential role to the organizational environment (Gioia et al. 2010; Clegg et al. 2007; Czarniawska & Wolff 1998). Together these studies suggest identity formation is about the construction and enactment of an identity that is considered as legitimate by other actors in the

organizational field, but at the same time provides the organization with distinctive character in order to survive. Eventhough Gioia et al. (2010) captured these notions in a theoretical process model of identity formation, these studies are largely silent or remain implicit with regard to how the actual substance of organizational identities is shaped by multiple identity sources (cf. Gioia et al. 2010: 6). In other words, we know through which collective sensemaking stages insiders form new identities for their organizations, but we lack knowledge about the material with which new identities are formed and how this affects their substance.

Conceptual and empirical studies on organizational culture and its relation with organizational identity provide examples of how (new) identities might be substantiated (Hatch & Schultz 2002; Ravasi & Schultz 2006; Hatch & Schultz 1997). This line of work suggests that insiders employ symbolic material such as shared history, characteristic attributes, and unique practices to collectively construct and revise their organizational self-definitions (Ravasi & Schultz 2006). Similar ideas were further grounded in an empirical study by Rindova, Dalpiaz, and Ravasi (2010), who showed how culture functions as a “toolkit” for the construction of new organizational strategies. There appears to be room for cross-fertilization between these two streams of research in order to extend our understanding of organizational identity formation and more explicitly link identity process research to identity substance and outcomes.

We found that old institutional theory provides a useful lens to integrate these ideas and accomplish the aims of our study. In the section below we discuss the commonalities between old institutionalism and organizational identity theory and the implications for the study of organizational identity formation.

### ***2.2.2 Old Institutionalism and Organizational Identity Theory***

‘Old’ institutionalism as a genre in the administrative sciences (DiMaggio & Powell 1991; Selznick 1996; Stinchcombe 1997) developed from “theoretical tensions” in the work of Max Weber (Gouldner 1954), and observations in the field that conflicted with many of the ideas put forth by organizational theorists at the time. Through several detailed field studies (e.g. Blau 1964; Gouldner 1954; Selznick 1949), old institutional scholars discovered that in addition to the formal structure of organizations—as described by

Weber (1968) in his extensive analysis of “modern bureaucracy”—several informal elements and social processes are pertinent to their success and survival. These studies provided an opposing perspective to the “pessimistic portrayal of administrative systems” as structures of “disembodied forces”, “stripped of people” (Gouldner 1954: 16). They focused in turn on the agentic power of individuals, and on the effect of their actions on social structures.<sup>2</sup>

To support the main assumption of this chapter—that old institutional theory can fruitfully be employed as a theoretical stepping-stone for investigations of organizational identity formation processes—we now proceed to discuss eight areas of conceptual continuity between old institutional theory and organizational identity theory. These eight areas of continuity can be assembled into three broader categories: the informal organization, human agency, and environmental adaptation (see Table 2.1).

***The Informal Organization.*** A core element in both old institutionalism and organizational identity theory is the notion of “the informal organization”. It covers the ideas that (1) an organization has a “normative core” that exists besides its “formal core” (Barnard 1938; Gouldner 1954), which (2) contributes to the “distinctive character” of the organization (Selznick 1957), and which (3) makes that organizations are not rigid “machines”, but rather flexible “organisms” that are continuously “in flux” (Blau 1972). Table 2.1 shows how these old institutionalist notions come back in various works on organizational identity.

We observe that the ideas about the normative core and organization-level distinctiveness are apparent in all studies on organizational identity. Albert and Whetten’s (1985) seminal piece clearly reflects these underlying principles. Additionally, the concept of distinctiveness is central in a number of recent empirical studies on organizational identity. (Clegg et al. 2007; Gioia et al. 2010). Additionally, we observe that old institutionalism and organizational identity theory are united in their emphasis on dynamics. Studies on identity-image dynamics (Dutton & Dukerich 1991; Hatch & Schultz

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<sup>2</sup> Old institutionalism is different from ‘new’ institutionalism. Although both share the underlying assumptions about the instrumentally arational elements that organizations adopt to increase their chances of survival, old institutionalism is different in that its analytical is on the organizational level of analysis and views organizations as distinctively embedded in their local communities (Selznick 1996; Stinchcombe 1997; DiMaggio & Powell 199). New institutionalism, on the other hand, is focused on the field or societal level of analysis and views organizations as loosely coupled structures of field-level elements, emphasizing their homogeneity (DiMaggio & Powell 1991: 14).

2002; Ravasi & Schultz 2006) and adaptive instability (Gioia, Schultz, & Corley 2000) reflect Blau's (1972) notion of organizations as being continuously "in flux".

**Human Agency.** The second category of common themes relates to the agentic power of individuals in the shaping of organizations. We see that both old institutionalism and organizational identity theory attribute importance to (1) people, (2) the work these people do to construct and maintain their organization, and (3) the politics of competing groups of people for influence over the organization.

Old institutionalism regards people as the "guts" of organizations through which institutionalization takes place (Stinchcombe 1997). In organizational identity theory the attention to the actions of individuals is especially apparent in social constructivist studies of organizational identity (e.g. Dutton & Dukerich 1991; Ravasi & Schultz 2006). Additionally, there are a variety of studies on organizational identity that show how identity is shaped through the deliberate and purposeful actions of these individuals, where the most powerful individuals end up having the most significant impact (e.g. Alvesson & Willmott 2002; Corley & Gioia 2004; Gioia et al. 2010; Elsbach & Bhattacharya 2001; Clegg et al. 2007).

**Environmental Adaptation.** At its core, old institutional theory is an approach to organizational-environmental adaptation, which emphasizes in particular how organizations adjust to altering conditions in their task and institutional environments. Scholars working in this tradition remind us that organizations continuously morph the substance of their work activities to align them better with their environments, most dramatically around the time of their inception (see Stinchcombe 1965). Complex and uncertain environments typically require a more flexible and organic structure to facilitate adaptation, while organizations can suffice with more rigid structures in simpler environments with lower levels of uncertainty (Burns & Stalker 1961).

Organizational identity theory has likewise shown that identities are constructed and reconstructed through ad-hoc adaptations to environmental changes and events (e.g. Dutton & Dukerich 1991; Elsbach & Kramer 1996; Ravasi & Schultz 2006), and in anticipation of and response to audience expectations (Scott & Lane 2000; Ginzler et al. 1993). Additionally, we find parallels to the ideas about the varying degrees of organizational rigidity and flexibility in the notions of "adaptive instability" (Gioia et al.



2000) and “identity plasticity” (Fox-Wolfgramm, Boal, & Hunt 1998) that capture the need for a certain amount of flexibility in the organization’s identity and the differing degrees with which this can be found in different organizations.

**Table 2.1 Common Themes between Old Institutionalism Literature and Organizational Identity Literature, and Implications for the Identity Formation Process**

<b>Common Themes</b>	<b>Old Institutionalism Literature</b>	<b>Organizational Identity Literature</b>	<b>Implications for the Identity Formation Process</b>
<b>Informal Organization: Normative Core</b>	Organizations contain informal elements besides the formal structure - they are made up of informal relations, and sets of norms and values that are necessary for their operation (Barnard 1938).	Organizational identity as a normative decision cue underlying all organizational attributes and practices (Albert & Whetten 1985)	Study the normative motivations behind the adoption of particular attributes. Study the origins of these motivations through the identification of the origins of particular attributes.
<b>Informal Organization: Distinctiveness</b>	Each organization has a distinctive character due to the "infusion of value beyond the technical requirements" (Selznick 1957). Distinctive character enables differentiation of organizations that perform similar technical tasks.	Identity as distinctive elements (Albert & Whetten 1985), Relational Identity, Self-Other Categories (Clegg, Rhodes, & Kornberger 2007)	Focus on attributes that are unique to the organization.
<b>Informal Organization: Internal Dynamics</b>	Organizations are continuously "in flux". Underlying organizational changes are processes of social development and informal organization (Blau 1972).	Identity Dynamics (Hatch & Schultz 2002; Ravasi & Schultz 2006); Adaptive Instability (Gioia et al. 2000)	Organizational identity construction is a social process that is always ongoing. Thus, studying the formation of an organizational identity requires a focus on internal social processes and events, and data covering a long period of time.
<b>Human Agency: People</b>	Institutionalization takes place through the actions of individuals, who are the "guts" of institutions (Stinchcombe 1997).	Focus on sensemaking and sensegiving activities of individual members (e.g. Dutton & Dukerich 1991; Ravasi & Schultz 2006)	Examining organizational identity formation requires a focus on the individuals that influence organizational decision making during the early stages of its life cycle.
<b>Human Agency: Work</b>	Institutionalization takes place through the "work that must be done to create viable organizations, maintain them in steady states, and prepare them for change" (Selznick 1996).	Identity Regulation and Identity Work (Alvesson & Wilmott 2002; Clegg et al. 2007), Reducing Identity Ambiguity (Corley & Gioia 2004; Gioia et al. 2010), Organizational Disidentification (Elsbach & Bhattacharya 2001)	An organizational identity is formed through the intentional and purposeful work done by individual members.
<b>Human Agency: Politics</b>	Institutionalization takes place through "collective bargaining" and is dependent on individuals with the most authority and the actions of organizational elites (Gouldner 1954; Selznick 1957).	Identity Politics (e.g. "negotiating identity claims" in Gioia et al. 2010), Influential role of organizational leadership in identity construction (e.g. Corley & Gioia 2004)	Organizational identities are influenced by the individuals that had the most authority over the organization during its founding stages.

**Table 2.1 Common Themes between Old Institutionalism Literature and Organizational Identity Literature, and Implications for the Identity Formation Process (CONTINUED)**

Common Themes	Old Institutionalism Literature	Organizational Identity Literature	Implications for the Identity Formation Process
Environmental Adaptation: Substance	Aspects of the organization's environment become imprinted into the organization's character as the organization adapts to its environment in natural and unplanned ways (Stinchcombe 1965; Selznick 1957).	Identity Threats, Identity-Image Dynamics (Dutton & Dukerich 1991; Elsbach & Kramer 1996; Ravasi & Schultz 2006), Audiences (Scott & Lane 2000, Ginzel, Kramer, & Sutton 1993)	Distinctive character/identity is formed through the adaptation to a dynamic environment, where the environment has the strongest influence over the organization around the time of inception.
Environmental Adaptation: Flexibility	Organizations internal structures display varying degrees of flexibility depending on the nature of their environment and on their age. Organizations in more complex environments are likely to adapt more flexible structures (Burns & Stalker 1961). The influence is stronger near the organization's point of origin (Stinchcombe 1965; Blau & Meyer 1987).	Adaptive Instability (Gioia et al. 2000), Identity Plasticity (Fox-Wolfgramm et al. 1998)	Organizational identities are ambiguous. Different individuals might provide different interpretations of the identity of their organization. Studying identity formation requires a focus on multiple sources of data and organizations of different ages.

### 2.2.3 *Implications for the Study of Identity Formation*

The common themes that we have highlighted here between old institutionalism and organizational identity theory show that these theoretical genres share similar underlying assumptions and address similar phenomena (cf. Okhuysen & Bonardi 2011). Where these genres differ, however, is in the attention paid to substance in the research of social processes. Organizational identity theorists have predominantly focused on the patterns in collective sensemaking processes which has led to a variety of (recurrent) stage models of organizational identity (re)construction while employing (change in) identity substance as a descriptive or field-experimental background (e.g. Gioia et al. 2010; Ravasi & Schultz 2006; Corley & Gioia 2004; Dutton & Dukerich 1991). The origins of the actual substance of the organizational identities under examination, however, have never been at the central point of investigation. Old institutionalism teaches us that the substance of social structures is shaped by the organizational environment and the purposeful actions of a variety of actors with vested interests. We employ the literatures and the common themes described above to define our core concepts, and ultimately reveal the sources of identity and the specific processes through which identities of the organizations in our sample were formed.

***Definitions of Core Concepts.*** Following recent studies we define organizational identity as a set of multiple *identity claims* that are developed through processes of collective sensemaking and sensegiving against an institutional background (see Ravasi & Schultz 2006; Whetten & Mackey 2002). Identity claims are statements about organizations core, enduring, and distinctive attributes that signal membership in institutionally standardized categories (Whetten & Mackey 2002). We label the attributes that are used to substantiate these identity claims as *proto-identity attributes*. As organizational identities are likely to be observed in all aspects of the organization, these attributes can be both symbolic in nature, for example when they are artifacts or practices representing the organization's culture (see Ravasi & Schultz 2006), and formal in nature, for example the organization's business model or strategy (Baden-Fuller & Morgan, 2010). Based on these definitions, we can now define organizational identity formation as the collection of processes that determine the organization-specific set of proto-identity attributes and that influence the selection of identity claims.

Based on our review of the literature and our observations in the Dutch microbrewery field we found that the concept of organizational identity could be divided into two intertwined parts: the *enacted organizational identity* and the *identity reservoir*. The former consists of the claims employed by an organization in social interaction. This set of claims can vary over time and differ depending on the organizational insider or the organizational audience. This conceptualization of organizational identity is compatible with a social constructionist perspective on organizational identity as apparent in the work by Gioia et al. (2000) and other researchers who have focused on the emergent and dynamic collective understandings of central features of the organization (e.g. Dutton & Dukerich 1991; Fiol 2002; Corley & Gioia 2004). However, our findings indicated that identity claims are not enacted by making random draws from all available identity claims in an organizational field, but by making *bounded* draws from an organization-specific set of identity claims. This organization-specific set follows from the organization's proto-identity attributes, the (material and symbolic) fundamentals of the organization and the (formal and informal) organizational practices. We call this organization-specific set the identity reservoir. This part of our conceptualization of organizational identity is more compatible with Albert and Whetten's (1985) initial definition of organizational identity, the social actor perspective on organizational identity (Whetten & Mackey 2002; King, Felin, & Whetten 2010), but also with the "culture as toolkit" analogy in organizational identity research (cf. Rindova, Dalpiaz, & Ravasi 2010; Ravasi & Schultz 2006; Hatch & Schultz 2002). The organizational fundamentals are the attributes (e.g. brand names, equipment, personnel etc.) and the aims (e.g. mission statement, sales target) of the organization, which together provide the physical and strategic resources for the operation of the organization (i.e. the organizational practices).

In the rest of this chapter we further develop these concepts and show how they are supported by our data. We will demonstrate how these two concepts facilitate the study of identity formation by allowing us to distinguish between two different identity formation processes, namely *identity imprinting* processes and *identity enactment* processes. Identity imprinting processes are the processes through which proto-identity attributes flow into the organization and shape the identity reservoir. Identity enactment processes are the processes through which identity claims are subsequently selected from the identity



## **2.3 Methods**

### **2.3.1 Research Strategy**

To objectively reconstruct histories of multiple organizations *ex post* and uncover generic identity sources and processes, we had to systematically analyze data from a wide variety of data sources. In light of this, we chose to structure our study as a naturalistic inquiry in which we gathered insights from our data through iterative interpretation cycles (Lincoln & Guba 1985; Glaser & Strauss 1967) and by comparing our preliminary definitions of core concepts and hypotheses about relationships to old institutionalist notions. Due to the inductive character of our study we started with broad definitions and hypotheses, allowing these to become more concrete and specific during the many iterative cycles between our data and our theoretical hunches. In order to facilitate the interpretation of our findings we provided the final working definitions of our core concepts in the section above.

### **2.3.2 Research Setting: The Dutch Beer Brewing Industry**

Our study is set in the Dutch beer brewing industry. We selected this industry for two reasons. First, at the time of our study, the industry was characterized by a significant number of newly founded organizations (all of which purported to be “microbreweries”) in which most of the founders were still present in the organization. We found that roughly 85% of the active independent breweries at the time of study entered the market after 1985. Research on these types of organizations was likely to produce the most valuable data for examining organizational identity formation as these breweries constructed their identities ‘from scratch’. Moreover, for these organizations we were able to approach the individuals that were involved in the founding processes with relative ease and these individuals tended to have the founding stories relatively ‘fresh’ in their minds.

Second, the beer brewing industry is an identity intensive environment characterized by significant product differentiation and strongly developed consumer niches. For example, the microbrewery movement (Carroll & Swaminathan 2000) has led

to strong differentiation of new breweries from the established industrial breweries all over the world. The social movement character of the microbrewery movement has presumably increased the importance of organizational identity in the beer brewing industry by making the question of “who we are as an organization?” even more salient. At the time of our study, the Dutch beer brewing industry produced approximately 27 million hectoliters (23 million barrels) of beer per year, or 170 liters (1.4 barrels) per capita (CBS 2007). 99.9 percent of the total beer production was carried out at the eight largest Dutch beer breweries who in numbers only made-up 15% of the entire population of beer brewers. This indicates that the majority of Dutch beer breweries at the time of our study could indeed be appropriately labeled as microbreweries, suggesting that the microbrewery movement was also prevalent in the Dutch beer brewing industry.<sup>1</sup>

### 2.3.3 Brewery Sample

We collected our data through semi-structured interviews with members of different Dutch beer breweries, complemented by archival materials. Breweries were identified from two professionally organized databases created and maintained by Dutch beer journalists and enthusiasts.<sup>2</sup> These databases tended to identify new breweries at very early stages, which provided us with extremely current information about the population of breweries and allowed us to get access to breweries close around the time of their inception. In total, we were able to identify 98 unique independent breweries that were active in the Dutch beer brewing industry at some point during our data collection period, which lasted from 2004 to 2009. Based on the known characteristics of these breweries and following Carroll & Swaminathan (1992) we were able to classify 88 as microbreweries. All of the 88 microbreweries were founded after 1985. The relatively small size of the population enabled data collection for a sample that approximated the entire population in terms of size and diversity. We were able to access 59 microbreweries, which corresponded to a 67% share of the entire population of 88 microbreweries.

For selection of particular members from the breweries for an interview, we

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<sup>1</sup> Microbreweries are small breweries with specialized products that are generally focused on craftsmanship and taste (Carroll & Swaminathan 2000: 2; Carroll & Swaminathan 1992).

<sup>2</sup> These databases were extracted from the websites of Cambrinus ([www.cambrinus.nl](http://www.cambrinus.nl)) and *PINT* ([www.PINT.nl/nedbier/brouwerij.htm](http://www.PINT.nl/nedbier/brouwerij.htm)).



developed a deliberate strategy based on assumptions about their influence over the identity formation process. Old institutional theory suggests that the individuals with the most authority will have the strongest influence over the formation of the organization's identity (Gouldner 1954; Selznick 1957). In a similar vein, studies on the formation of the related construct of organizational culture attribute much influence to organizational founders (see Schein 1986). In light of this, we worked from the assumption that, for the purposes of our study, the founders of the breweries were the most important target members for an interview. If we were unable to get access to the founder, we approached the owner for an interview—in case that was a different individual than the founder. If the owner turned out to be unavailable, we approached the brew master.<sup>3</sup> And in case we were unable to interview the brew master, we settled for an interview with another member—preferably a manager. Additionally, our ambition was to cover for every brewery as many organizational roles as possible with our interviews.

For a significant majority of the selected beer breweries we ended up being successful in approaching the founders for an interview (see Table 2.2). Since most breweries were relatively small in size, the founders often fulfilled additional roles, like the role of brew master. Table 2.2 shows that for most breweries we were able to cover a variety of organizational roles with our interviews. Since most interviewees did not exclusively fulfill the role of founder they were able to provide multiple perspectives on the identities of their breweries during the interview. Moreover, the individuals that we interviewed were often the only (fully) paid employees of their breweries, a result of the small size of the young breweries in our sample.

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<sup>3</sup> Brew masters are the individuals responsible for the development of beer recipes, for the set-up and maintenance of the beer production equipment, and for the actual day-to-day production batches of beer. Due to their influence over the production process we assumed that, after the founders and owners, they were likely to be the most influential individuals in the breweries.

**Table 2.2 Number of Interviewees and Participating Breweries per Interviewee Role**

<b>Interviewee Role</b>	<b>Nr of Interviewees</b>	<b>Nr of Participating Breweries</b>	<b>% of Participating Breweries</b>
Founder	51	45	76%
Current Owner	56	50	85%
Brew Master	49	42	71%
Manager	60	54	92%
Total	71	59	100%

We approached all potential interviewees either by email or by telephone. Overall, the individuals we contacted were enthusiastic about the prospect of being interviewed, and most were willing to cooperate (we were able to interview an organizational member for about 80% of the contacted breweries). The minority of individuals that chose not to cooperate usually indicated that they either lacked the time to participate or that they were not convinced of the value of an academic study for their individual breweries. As a token of our goodwill, we made an agreement with a few brewery owners to purchase a small quantity of their products as a compensation for their time and effort. However, these were exceptions. Most interviewees cooperated without asking for any form of compensation besides the promise that they would receive the final research report.

#### **2.3.4 Data Collection Method**

The interviews with the brewery members constituted our main data source. We made audio recordings and transcriptions for all interviews to facilitate data analysis. In addition to the data from the interviews, we collected data from various archival sources such as breweries' websites and news articles in the Dutch quarterly beer magazine *PINT*. The collection and analysis of data from a variety of sources limited potential bias associated with the exclusive use of one specific data source and strengthened the grounding of theory through the "triangulation" of evidence (Eisenhardt 1989). The data collected from the breweries' websites and from the news articles was used to verify the stories told during the interviews. We studied all the archival materials related to the brewery *before* the interview in order to be able to ask more specific questions and 'dig

deeper' into the organization's identity formation processes.

The questions that we employed in the interviews with brewery members were developed and refined during the course of the study. As a general starting point, we made sure to include in each interview questions pertaining to each of the common themes identified from the old institutionalism and organizational identity literatures (see Appendix I for a sample of the interview questions).<sup>4</sup>

In total we conducted 73 interviews at 59 different breweries with 71 different individuals—i.e. 14 breweries were visited twice during different data collection batches. The interviews were conducted during three concentrated periods of data collection and spread out over a five-year period from 2004 to 2009. The length of the interviews varied between 30 and 90 minutes, and was 70 minutes on average.

### **2.3.5 Data Analysis**

We analyzed our data in three general steps by making use of the software package NVIVO 8 and by following recommendations from Glaser and Strauss (1967), Corbin and Strauss (1990), and Miles and Huberman (1994). The overarching goal was to identify the sources of organizational identity and the relevant processes through which proto-identity attributes from these sources were imprinted into the identities of the organizations under study. First, the interview transcripts were coded openly. This process was focused on defining first-order concepts that emerged directly from the data and that seemed to be relevant for the present study. During this stage we paid particular attention to the three predefined sources from the literature. Second, codes with similar meanings were clustered by making 'constant comparisons' in order to uncover relevant higher-order constructs (Glaser and Strauss 1967). Here we compared the open codes from the individual cases with each other and with the literature to find relevant higher-order constructs and to formulate proper definitions. Third and finally, we used 'axial coding' to examine the relationships between the constructs developed during the previous two steps (Corbin and

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<sup>4</sup> It is important to note, however, that every interview was unique in that we allowed the interview to progress in a conversational manner and asked questions in no particular order. We only ensured that the general themes were discussed and made sure the discussion remained on topic. We asked more specific questions when relevant topics were discussed related to the identity formation process to get more detailed accounts about the relevant sources and attribute selection processes. We found that most of our interviewees had never explicitly thought about their identities and, therefore, did not seem to have any boilerplate stories ready when confronted with questions about their brewery's identity.

Strauss 1990). During this step we compared cases and groups of cases with each other in order to map the relationships between the higher-order constructs that grounded the findings presented in the subsequent sections.

To reveal the relevant identity formation processes we examined the causal chain in reverse order. We first inductively reconstructed each brewery's identity to be able to logically link potential sources and processes to specific identity claims. For this purpose, we made use of the identity claims developed by Lamertz, Heugens, and Calmet (2005) in their study of organizational image in the Canadian beer brewing industry.<sup>5</sup> To ensure that we incorporated the nuances of the Dutch beer brewing industry in our coding scheme we started with an open coding process for first-order proto-identity attributes. At a later stage, we employed the identity claims developed by Lamertz et al. (2005) to group the proto-identity attributes into higher-order identity claims. We created new claims for proto-identity attributes that we were not able to group into the pre-existing claim categories developed by Lamertz et al. (2005). Table 2.3 below provides an overview of all the claims that were employed, their definitions, and information about the frequency with which they occurred in our sample.

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<sup>5</sup> Although they refer to distinct concepts, for the purposes of this chapter we assume that organizational identity and organizational image can be constructed from the same identity claim categories.

**Table 2.3 Description of Employed Identity Claims and Number of Breweries Per Claim**

<b>Identity Claim</b>	<b>Description</b>	<b>Nr of Breweries</b>
Aesthete	Linking the organization with product sophistication and appreciation	22
Artisan	Expressed care and dedication to the tradition of brewing as art and craft	50
Collaborator**	Promoting traditional brewing culture and collaboration among peers	27
Ecologist**	Expressed care and dedication to the production of beer in an ecologically responsible manner	7
Entertainer	Linking the organization with entertainment and fun	19
Experienced Scientist	Emphasizing the use of scientific principles to maintain high quality standards	19
Hobbyist**	Stressing the non-profit orientation of the organization	31
Hybrid Commercial**	Underlining the multiplicity and complementarity of the breweries' product offerings (e.g. combination with restaurant or store)	30
Hybrid Social**	Emphasizing the additional communal goals of the organization (e.g. museum, working with employees with disabilities)	9
Independent**	Challenging established orders and limited collaboration with organizational peers	12
Industrial Producer	Emphasizing large-scale productive capability and focus on growth	6
Innovator	Highlighting the organization's focus on product development and process innovation	13
Local player	Expressed link to markets and communities in a particular locale	47
Marketer**	Highlighting the organization's orientation toward the selling of the key product (beer)	39
Merchandiser	Highlighting the organization's orientation toward brand and product expansion beyond the core activity of beer brewing	44
Not Just a Local Player	Emphasizing the organization's orientation toward expansion beyond the local into wider sales markets	19
Pedigree	Connecting the organization with (beer brewing) history	30
Quality Champion	Referring to accumulated knowledge of control over the production process and listing of performance accomplishments	36
Renter**	Referring to the use of excess production capacity of other breweries to brew own beers	20
Specialist Producer	Emphasizing small-scale production methods and specialty products manufacture	44
Values Pride	Emphasis on unique organizational and brand values as a sign of quality	8

\* Source: Lamertz, Heugens, and Calmet (2005)

\*\* Own addition

## 2.4 Findings

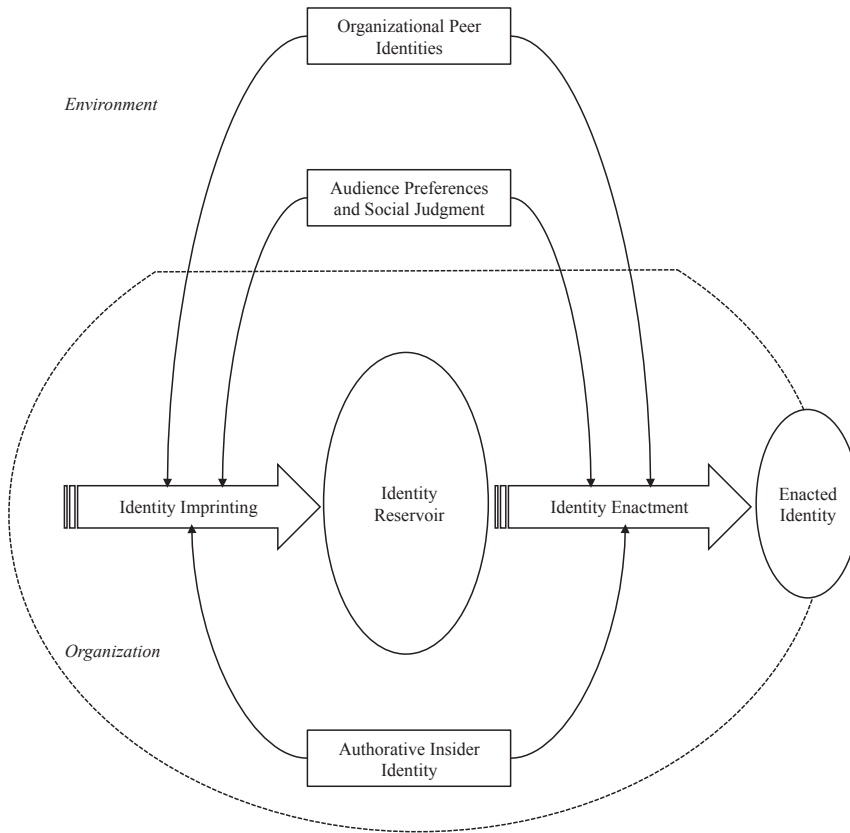
While focusing on elements and processes related to the old institutionalism themes, we traced the causal chain of identity imprinting backward from organizations' manifest identity claims to the actual sources from which proto-identity attributes flow. This led to the discovery of three alternate but complementary sources from which the breweries in our sample formed new identities, namely: (1) the identities of authoritative insiders, (2) the preferences and social judgments of audiences, and (3) the identities of organizational peers. We found that organizational identities are shaped through a combination of imprinting and enactment processes associated with these three different sources. In this section, we discuss our findings for each identity source.<sup>6</sup>

Figure 2.2 below is the empirical model we constructed from our findings. Our findings reveal three important identity sources: (1) authoritative insider identity, (2) audience preferences and social judgment, and (3) organizational peer identities. Together these three sources affect both the imprinting of proto-identity attributes into the organizational identity reservoir and the enactment of organizational identity through the selection of identity claims from the reservoir. For each source we define the most relevant identity imprinting and identity enactment processes. Table 2.4 provides an overview of the different identity formation processes per identity source and information about the empirical evidence found for each of these processes. In the remainder of this section, we relate our findings to the common themes we identified between old institutionalism and organizational identity theory and provide empirical support by the inclusion of selected quotations from the interview transcripts.

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<sup>6</sup> Since our study was limited to one specific population, questions of transferability of our findings to other domains may arise. We feel that our findings are likely to apply to other domains as well since we focused on processes of organizational construction that are not unique to our population, but that we believe are salient in every mature organizational field. It is likely that identities can be reconstructed in a similar manner for organizations in other domains. Additionally, the adoption of a specific theoretical lens and observation scheme might have obscured particular identity sources and imprinting processes. As a result of the old institutionalist lens with which we collected and analyzed our data, it is possible that we downplayed particular field-level effects on the organizational identity formation process requiring a 'new' institutionalist theoretical lens (cf. Glynn 2008). Future research from this perspective is needed in order to uncover identity sources and identity formation processes at this particular level of analysis.

**Figure 2.2 Empirical Model of Organizational Identity Formation: Imprinting and Enactment Processes**



<u>Identity Imprinting</u>	<u>Identity Reservoir</u>	<u>Identity Enactment</u>	<u>Enacted Identity</u>
Strategic Emulation	Org. Fundamentals	Disidentification	Selected Identity Claims
Value Prop. Formation	Org. Practices	Anticip. Audience Judgm.	(see Table 3)
Critical Decision Making	Corr. Identity Claims	Image-Vision Allignm.	

**Table 2.4 Identity Formation Processes per Identity Source and Corresponding Percentage Scores for the Empirical Evidence Found**

<b>Identity Formation Process</b>	<b>Type of Identity Formation Process</b>	<b>Description</b>	<b>% of Breweries<sup>a</sup></b>	<b>% of Sources<sup>b</sup></b>
<u>Authoritative Insider Identity</u>				
Critical Decision Making	Imprinting	The values, beliefs, and skills of an organizational insider that has significant influence over the organizational decision making process. Making decisions about core, enduring, and distinctive attributes and practices.	95%	92%
Image-Vision Alignment	Enactment	Aligning the selection of identity claims with individual vision.	34%	28%
<u>Audience Preferences &amp; Judgment</u>				
Value Proposition Formation	Imprinting	The organizational audience's (differing) demand for and expectations about particular products.	49%	49%
Anticipating Audience Judgment	Enactment	Adapting the organization's business model to the demand of consumers and the evaluative pressures from the entire audience.	22%	20%
<u>Organizational Peer Identities</u>				
Strategic Emulation	Imprinting	Adapting selected identity claims for enactment to expected social judgment from the audience.	42%	43%
Disidentification	Enactment	Organizational identities of other organizations operating in the same industry.	97%	91%
		Selecting attributes from peer organizations for the construction of own organization.	61%	52%
		Creating a distinctive enacted identity by highlighting differences between own identity and the identities of peer organizations.	92%	85%

<sup>a</sup> % of Breweries reflects the number of *breweries* for which we found evidence that allowed us to causally link the particular identity formation process to the shape of the brewery's identity.

<sup>b</sup> % of Sources reflects the number of *interviews* in which we found evidence that allowed us to causally link the particular identity formation process to the shape of the brewery's identity.



### **2.4.1 Human Agency: The Role of Authoritative Organizational Insiders in Identity Formation**

Brewery insiders had significant influence over the shape of the identities of their breweries. We found that for almost every brewery the authoritative insiders we interviewed had considerable agentic power that allowed them to incorporate elements of their individual identities into the brewery's organizational identity. This agentic power was particularly visible in one identity imprinting process (critical decision-making) and one identity enactment process (image-vision alignment).

***Identity Imprinting Through Critical Decision-Making.*** One of the most apparent ways in which the authoritative insiders invoked their agentic power to shape the identity reservoirs of the beer breweries in our sample was through critical decision-making. We observed how our interviewees made decisions with particular intentions in mind. Their individual identities guided them in formulating a vision of what their breweries should look like and in taking action accordingly. We observed that the individuals with the most authority (generally the founders or the owners) had been most able to significantly imprint elements of their individual identities into the identity reservoirs of their breweries.

One type of critical decision through which brewery insiders imprinted their individual identities into the brewery was through the deliberate construction of organizational aims (such as the brewery's mission statement). The quote below, from one of the founders of *Bierbrouwerij Grandcafé Emelisse* in Kamperland, is an example of this.

*“One of the core elements of this organization is its focus on brewing beer and promoting the island ‘Noord-Beveland’. I think that accurately describes the aim with which we founded this organization. Our focus is not just on the brewing of beer alone, but on its use as a vehicle for the promotion of the island.” (Tom ter Horst, Founder and Manager of ‘Bierbrouwerij Grandcafé Emelisse’ in Kamperland)*

This quote includes statements about the current identity of the brewery and provides a hint about one of the sources of this identity. We regarded the interviewee's claim that an important element of the brewery was the promotion of the local region as evidence for the identity claim Local Player. We found that this claim was further supported by references to related attributes and practices, such as the brewery name and

the brewery's targets. Additionally, the interviewee claimed that the statement corresponded with the organizational aims that were set by the founders at the time of the brewery's inception. This was evidenced by the fact that the founders had first created a foundation that had as a general goal the promotion of the local region. The brewery was a vehicle that they began using to achieve this goal. Altogether this indicates that the identity of this brewery's founders was imprinted into the brewery's identity through an agentic decision-making process about the organizational aims. In this case the formulation of organizational aims was guided by the identities of the founders leading to the incorporation of Local Player proto-identity attributes into the brewery's identity reservoir.

**Identity Enactment through Image-Vision Alignment.** Brewery insiders did not only exert their agentic power over the composition of the identity reservoir, they also shaped the enacted identity of their brewery. In our interviews, members provided examples of how they highlighted or embellished preferred identity claims of their brewery that were in line with their individual visions about their breweries and their environment. In this way, members managed the brewery's image as perceived by their audiences.

We identified a good example of the influence of image-vision alignment by organizational insiders in the case of *De Haagse Bierbrouwerij* in Den Haag. In the interview, the brew master of this brewery was highlighting and embellishing the claim Experienced Scientist in favor of the claim Artisan. In this way he differentiated his brewery from many of its microbrewery peers. What was initially unclear, however, was why he chose to enact the brewery's identity in this particular way. For instance, we also found evidence for proto-identity attributes that substantiated Hybrid Commercial or Specialist Producer claims. After further analysis of the interview we concluded that the Experienced Scientist vs. Artisan analogy was in line with the brew master's individual identity. Here we observed how an individual's identity moderates the selection process of identity claims from the identity reservoir. The following quote illustrates this process for this particular case:

*“The idea that everything has to be produced according to traditional, artisanal methods is something that I don't believe in. That is exactly the image I don't want to have. There is nothing artisanal about producing beer – it is an industrial process. And you can only control an industrial process 100% when everything is mechanized.” (Anton Schults, Brew Master, and Manager of brewery ‘De Haagse Bierbrouwerij’ in Den Haag)*

This enacted identity was supported by proto-identity attributes that were imprinted by the brew manager himself such as computerized brewing equipment. This brew master had thus shaped his brewery's identity through identity imprinting processes, the outcomes of which he consequently employed to substantiate enacted identity claims.

#### ***2.4.2 Environmental Adaptation: The Role of Organizational Audiences in Identity Formation***

Brewery identities in our sample were not just a direct representation of the individual identities of brewery founders and other insiders, but also contained important elements that were sourced from the environments of the breweries. These elements were incorporated into the breweries through processes of adaptation. One environmental source of identity was the type of organizational audiences that the brewery was confronted with. We show that audiences function as an identity source in two important ways: through their preferences that are incorporated into the breweries' value proposition and through the social judgment of brewery activities.

***Identity Imprinting through Value Proposition Formation.*** Audience preferences were imprinted into the breweries' identities through the formation of value propositions. A value proposition appeared in our interviews as a statement about the types of products the brewery aspired to produce and the types of consumers the brewery was aiming for with these products. In other words, these were statements about how the brewery was creating value for itself and for the consumer. The formation of a value proposition can be seen as a critical decision and an indication of the agentic power of organizational insiders over the identity formation process. However, we found that the value proposition formation process was also a clear example of a problem-solving activity through which environmental elements became imprinted into the breweries' identities. We observed how brewery insiders entered into a (virtual) negotiation with their audiences to create adequate matches between product offerings and audience demands. Through this environmental adaptation process, the preferences of audience groups located in the brewery's environment were imprinted into the identity of the brewery.

The identity of brewery *De Halve Maan* was clearly shaped by the demands of audience groups in the brewery's surrounding environment. We observed that this

brewery's identity reservoir contained, in addition to proto-identity attributes pertaining to the Artisan and Pedigree claims, attributes that signaled Merchandiser and Hybrid Commercial claims. The Artisan and Pedigree attributes were clearly imprinted by the brewery's founder, but the founder's identity did not explain why the brewery would develop Merchandiser and Hybrid Commercial attributes. We found that these attributes became incorporated into the brewery through processes of environmental adaptation and in particular through the formation of a value proposition. One quote from the founder about the building of the brewery illustrates this:

*“The building was in a very bad state; the roof was about to collapse and it was littered with very old materials, like broken draft beer equipment. At a certain point we asked ourselves, why don't we refurbish the whole place? Initially, we had a very simple idea to just put in a bunch of new windows and doors without too much hodgepodge. Gradually we had so many people who were interested in our brewery saying: ‘If you open this space up we would like to rent it to throw a party’. Then we started to scratch our heads. There turned out to be such a demand that we said to ourselves: ‘Let's revamp this place properly’. At the start we just rented out for parties and tours during evenings occasionally... ..But at a certain stage we took the step to open during the days as well and recently we opened a restaurant for the days that the location is not rented out where people can taste a variety of dishes in which beer is used for the preparation.”(John Vermeersen, Founder, Owner, Brew Master, and Manager of brewery ‘De Halve Maan’ in Hulst)*

***Identity Enactment through Anticipating Audience Judgment.*** Apart from affecting the identity reservoirs of the breweries in our sample, audiences also affected the enacted identities of the breweries. We found that audiences were not mere passive consumers of the breweries' products, but in fact subjected the breweries to scrutiny of all their activities. In our interviews we found that brewery insiders were aware of these evaluative pressures and that they constrained the identity enactment process. Insiders seemed to enact *those* identity claims that were likely to be evaluated favorably by their respective audiences. This indicates that the above-described image-vision alignment activities are generally not exclusively driven by the identities of organizational insiders, but also by the expectations of organizational outsiders.

Brewery *De Hoeksche Waard* in Oud-Beijerland, for example, had different enacted identities for different audience groups. Their identity reservoir contained elements that

supported claims such as, Local Player, Marketer, and Quality Champion among others. We observed, however, that the Local Player attributes were highlighted and embellished in interaction with the local audience group, but downplayed in interaction with audience groups in other geographical areas. For these audience groups, the professional attributes of the brewery's identity, which we classified as Marketer and Quality Champion attributes, were embellished. The quote below further illustrates this:

*"In the first place we focus on the regional character of our brewery. We would like to create an association with 'de Hoeksche Waard' area [a locality in South-Western Holland]. You notice that it is working. People's identities are tied to the Hoeksche Waard. For example, people who used to live in the Hoeksche Waard area like to receive our product as a present. On the one hand, this provides a foundation for growth. On the other hand, we notice that if you go further away from this area people don't identify as strongly with the region. For those people it is more important how professional our products are and, not in the least, how our products taste."* (Rob van der Agt, Founder, Owner, Brew Master, and Manager of 'De Hoeksche Waard' in Oud-Beijerland)

### **2.4.3 Environmental Adaptation: The Role of Organizational Peers in Identity Formation**

The identities of organizational peers constitute our final source of identity. The founders and owners of the breweries in our sample worked to construct an identity that distinguished their brewery from their peers. They accomplished this through processes of strategic emulation and disidentification.

**Identity Imprinting through Strategic Emulation.** We found that the founders and owners of the breweries in our sample were inspired by the identities of the other breweries in the industry in the formation of a distinctive identity for their own brewery. This was a process of strategic emulation, where the founders or owners performed "identity work" to construct a distinctive character (see Clegg et al. 2007; Alvesson & Willmott 2002). They first evaluated proto-identity attributes from other breweries, then selected attributes that matched with their individual identities, and finally made slight adaptations to these attributes to create distinctive identities for their own breweries.

An example of strategic emulation and the identity-imprinting role of organizational peers can be found in the case of brewery *De Graaf van Heumen*. This brewery, which was founded in 2009 in a small village close to Nijmegen, was unique in that the brewing installation was made of glass and placed in the middle of their pub, allowing visitors to

actually observe the entire brewing process. One of the founders had extensive experience in the brewing industry and this experience was used to strategically emulate a group of brewpubs. This emulation process led to the adoption of proto-identity attributes that aided the brewery in becoming a Hybrid Commercial and Entertainer, which is illustrated by the following quote.

*“The brewery in Den Bosch gave us ideas about how not to run a brewery. I have many years of experience in the brewing business. I owned a brewpub in Scheveningen, for which I also designed the brewing installation. I also helped with the construction of the new brewing house of Bavaria - ‘Brouwhuis 3’. Additionally, I worked for Heineken, and Oudaaen in Utrecht. So it is safe to say that I know almost all breweries inside out. Then you know certain things about the breweries; like that they brew a very nice beer, but their installation is hidden away somewhere. Then you ask yourself: Do we want that? Well, maybe that is exactly what we don't want.” (Constant Keinemans, Founder and Brew Master of ‘De Graaf van Heumen’ in Heumen)*

**Identity Enactment through Disidentification.** Apart from the imprinting effect that brewery peers had on the identity reservoir, we also observed an effect on the enacted identity. Brewery members tended to highlight the distinctive character of their own brewery by disidentifying with peer breweries. This was often done through the discrediting of certain fundamentals or practices of these breweries.

Brewery De Drie Horne, for instance, had a range of proto-identity attributes that supported the claims Hobbyist, Quality Champion, and Marketer among others. To distinguish the brewery from certain peer breweries, the founder highlighted the non-profit nature of the brewery (an attribute supporting the Hobbyist claim) and argued how this bolstered the Quality Champion claim. At the same time he downplayed the Marketer proto-identity attributes of the brewery, in order to differentiate the organization from marketing-driven organizations. The quote below illustrates this:

*In response to the question: “What attributes of other breweries would you rather not see back in your own brewery?”*

*“Well, the purely commercial – pretending to produce quality and always wanting to attract the attention. I saw that, for example, (this does not necessarily have anything to do with the brewery) when Erica Terpstra [a former Dutch State Secretary of Health and Sport] visited Apeldoorn. Being a local beer brewer, they wanted me in a picture with Erica. But you should have seen how other people were trying to push others out of the way to get into the picture. That is exactly how some breweries behave. There are people who always want to just stand a bit in front of the other to get attention. But it is much*

*better to get attention by producing good quality. The attention will come naturally – it might take a couple of years, but it will come.” (Sjef Groothuis, Founder, Owner, Brew Master, and Manager of brewery ‘De Drie Horne’ in Kaatsheuvel).*

## **2.5 Discussion**

Previous research on organizational identity formation has been predominantly geared toward identifying the micro-processes and generic stages through which identities are constructed (e.g. Gioia et al. 2010; Corley & Gioia 2004). As this line of research is focused on improving our understanding of how identities emerge from the actions of individuals and collectives, the literature currently remains silent with respect to the issue of what shapes the actual substance of organizational identities, particularly around the time of organizational inception. In this chapter we took up the challenge of developing new theoretical insights concerning the processes through which the substance of organizational identity takes form during organizational nascency.

In our study of the Dutch beer brewing industry, we showed how identity elements of authoritative organizational insiders and the organizational environment were imprinted into the identities of nascent breweries. Our findings reveal a range of processes through which an organization-specific identity reservoir is formed (a process we labeled identity imprinting) and through which identity claims are selected from this reservoir and woven into strategic self-presentations and ceremonial rehearsals of field-level rationalized myths (a process we referred to as identity enactment). Together, these two processes provide building blocks for new theory that (1) explains how identities of nascent organizations are formed and substantiated, and (2) integrates related literatures (old-institutionalism) and different theoretical perspectives (social constructionist and social actor perspectives).

### **2.5.1 Identity Sources**

Previous research on organizational identity formation suggests that organizational identities are shaped by different stakeholders such as founders and top-management (e.g. Scott & Lane 2000), audiences (Ginzel et al. 1993), and peer organizations (Clegg et al. 2007). One of the chief contributions of our study is that we provide an integrative conceptualization of the identity formation process, through which causal linkages are

established between various identity sources on the one hand, and the substance of the identities of the individual organizations in our sample on the other. Specifically, we identified three different identity sources that shaped the identities of the 59 breweries in our sample around the time of inception. In doing so we have integrated findings from previous studies on organizational identity formation and construction.

A first source consists of the identities of authoritative organizational insiders, who imprint their identities into the organization through critical decision making. Most previous studies have shown how insiders have agentic power over the shape of their organizational identities through processes of sensemaking and sensegiving (Ravasi & Schultz 2006; Gioia et al. 2010). These studies have highlighted that insiders with high levels of organizational authority (e.g. founders or top-management) have a more influential role in shaping their organization's identity than insiders with low levels of authority (Ravasi & Schultz 2006; Gioia et al. 2010; Scott & Lane 2000). Our findings provide further support for these notions.

Two additional identity sources, notably: audience preferences and social judgments, and organizational peer identities, jointly constitute the identity-relevant organizational environment. We have shown that the beer breweries in our sample continuously adapt to dynamic pressures in their local environments. While these adaptations are often substantive problem solving activities by organizational insiders, these activities also produce symbolic sediment that trickles down into the organizational identity reservoir.

Our study integrates and confirms insights from studies about the influencing role of organizational audiences (Ginzel et al. 1997). Audience preferences influence the initial set-up of the organization such as the business model (identity imprinting). Additionally, social judgment of the organization by its audience influences the ongoing insider interpretations about the organization's actions and performance (identity enactment) (cf. Bitekine 2011). Finally, our study integrates findings from previous studies that have shown how identities are always constructed against the background of the identities of others (i.e. peer organizations) (Clegg et al. 2007; Ybema, Keenoy, Oswick, Beverungen, Ellis, & Sabelis 2009). Organizations form distinctive identities through strategic emulation of identity elements from peer organizations (identity imprinting) and through



deliberate disidentification with the identities and practices of particular organizational peers (identity enactment).

Future research could provide additional evidence for our findings about the sources of organizational identity by adopting a more theory-testing approach. Subsequent quantitative studies could explore the extent to which organizations are immersed in the identity sources we identified more systematically, and assess whether this exposure has predictive power with respect to the substance of their identities.

### **2.5.2 *The Identity Reservoir***

We believe that another important contribution of our study is that it reveals how identity imprinting and identity enactment processes are facilitated by an identity reservoir.<sup>1</sup> Imprinting processes are facilitated through the reservoir's function as a "storage bin" (cf. Walsh & Ungson 1991) for fundamentals and practices that represent the formal and symbolic core of the organization. Over time these attributes accumulate due to the mutually constitutive and interactive imprinting roles of the different identity sources.

Additionally, the identity reservoir functions as a "toolkit" for identity enactment (cf. Rindova et al. 2010) working both forward (sensemaking of identity) and backward (legitimizing identity). First, proto-identity attributes were referred to during brewery insiders' attempts to interpret and construct the identity of their breweries. Here proto-identity attributes aided during the work done by organizational insiders to make sense of their collective identity. A second function of the identity reservoir was in legitimating enacted identity claims. For example, when brewery insiders would claim that their brewery was "artisanal" and were asked to substantiate this claim, they would refer to proto-identity attributes such as those related to their production methods in an effort to legitimate the initial identity claim employed.

What is perhaps more surprising however, was that brewery insiders did not only

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<sup>1</sup> Recent research has shown how organizational identities and identity formation processes are substantiated and facilitated by organizational culture (Ravasi & Schultz 2006). Whereas there are clear parallels between our conception of the identity reservoir and the set of symbolic attributes and practices constituting an organizational culture, our conception is different in that it also includes—or allows for the inclusion of—more substantive elements that might not be a reflection of organizational culture, but that still play an important role in identity formation. For example, we found that the brewery's geographical location, the brewery's product line, and the brewery's target market were important proto-identity attributes that substantiated the identities of the breweries in our study.

employ proto-identity attributes to *substantiate* institutionalized identity claims, but also employed them to *replace* institutionalized identity claims. For example, instead of claiming that their brewery was “artisanal” (one of the institutionalized identity claims we defined), certain interviewees made direct reference to a proto-identity attribute by stating something like: “we are a brewery that produces beer from honest ingredients”. Our data suggested that whether or not an individual employs a proto-identity attribute instead of an identity claim depends on the level of institutionalization of the particular identity claim and the age of the brewery. Identity claims that were more institutionalized at the field level were more readily available to individuals when interpreting their brewery’s identity. Insiders from younger breweries were less equipped to interpret and construct their identities than insiders from older breweries were. As a result, insiders from younger breweries were more likely to use proto-identity attributes instead of identity claims. This supports the time-varying distinction we have drawn between identity imprinting and identity enactment. As an organization grows older, and identity formation processes take on a more performative character, its members gain a better understanding of what the organization’s identity is, and how it relates to other identities in the field.

### **2.5.3 *The Dynamics of Identity Formation***

Although we have shown that the breweries did not enact their identities by making random draws from a wide pool of industry-specific identity claims, some randomness and dynamism was introduced in the organizational identity formation process through the transpiring of unanticipated events affecting the identity sources and, subsequently, the brewery-specific identity reservoirs. These events varied in the degree to which they occurred externally to the brewery. Some events were completely external to the brewery (e.g. an unexpected change in audience preferences), others were largely internal (e.g. the infection of a large beer batch leading to the threat of negative audience evaluations). Many breweries in our sample were confronted with critical events that had altered their relation with constitutive identity sources. We found that indeed these events had led to changes in their organizational identities, replicating findings of previous studies (Dutton and Dukerich, 1991; Ravasi & Schultz, 2006) and confirming our findings related to the three identity sources.

The events that had the most impact on the shapes of the identities of the breweries in our sample were changes related to the insiders that controlled the breweries. In fact we found evidence for 15 breweries that suggested that these kinds of events had shaped their identities. Specifically, we found that changes in the ownership and or management of these breweries had led to the addition of new proto-identity attributes and destruction of others, leading to differences in the available identity claims for enactment. Additionally, there were six cases in which unexpected changes in audience preferences had significantly affected the breweries' identities.

We did not find any cases where changes in the composition of organizational peer identities had affected the identities of individual breweries in our sample. However, it is likely that these kinds of effects *do* play a role during identity formation, but that they were not visible for us due to our specific research design and theoretical focus. Changes in the composition of organizational peer identities are likely to depend on field-level structures and processes, such as organizational form dynamics (Hannan, et al. 2007). Future research is needed to examine to what extent identities of individual organizations are constrained or enabled by field-level structures (cf. Glynn 2008).

#### ***2.5.4 Social Constructionist and Social Actor Perspectives***

Organizational identity scholars have recently begun to integrate two different ontological perspectives that used to divide the field into one coherent theory of organizational identity (Ravasi & Schultz 2006; Gioia et al. 2010). We believe our study contributes to these efforts by offering additional theoretical building blocks that can foster further integration.

On the one hand, our findings highlight important social actor elements in the formation of new organizational identities. By comparing the identity formation process for almost an entire industry, we have shown that organizational identities can be arranged in a broader system of institutionalized identity claims, representing the symbolic structuration of an organizational field (Porac, Thomas, & Baden-Fuller 1989; Lamertz et al. 2005). We found that in interpreting and constructing their collective identities, individuals employ similar labels with institutionalized meanings. Additionally, we found that although interpretations of individual claims might change over time or differ slightly

per individual, as a system these identity claims are relatively stable. In particular, we observed that the oppositional structure of this system, in which one claim or a set of claims always seems to have an oppositional (set of) claim(s), is stable over time (cf. Clegg et al. 2007). These pressures towards (relative) similarity appear to stem from the imprinting processes related to environmental adaptation. The breweries in our sample are to a large extent faced with similar environmental pressures, which seemed to have led to the adoption of similar proto-identity attributes and identity claims. However, as our study was predominantly focused on the distinctiveness of identities due to our old institutionalist theoretical lens these observations are only indirectly supported by our findings.

On the other hand, we observe that identities are strongly influenced by social constructionist and human agentic forces as apparent in the ongoing imprinting and enactment activities of organizational insiders (cf. Ravasi & Schultz 2006). Through these processes, organizational insiders infuse the organization with distinctive character elements. We observed the way in which brewery founders deliberately made distinctive combinations of identity claims supported by unique proto-identity attributes, to locate themselves in uninhabited identity positions. In contrast with the social actor elements of identity that seemed to shape the identities of the breweries beyond the actions of the individuals involved, these elements often emerged through the work done by brewery insiders to construct the pivotal elements of their organizations and ensure short-term feasibility and survival.

Where Ravasi and Schultz (2006) make a distinction between sensegiving and sensemaking in organizational identity formation, we deliberately distinguish between similar processes of identity imprinting and identity enactment. Based on our observations during our study of the Dutch beer brewing industry, and by narrowing our scope to the agentic power of individuals, we made an inference about the importance of these processes in identity formation over time. During the early stages of the organization's life cycle, we observed that the agentic power of individuals seemed to be mainly related to processes of identity imprinting. Actors are concerned with constructing a viable organization and creating a sense of collective identity. Over time, as the organization matures, identity enactment processes (which can also be sensegiving in nature) become

more important. As the organization grows, its environment becomes more demanding and survival becomes more dependent upon the portrayal of a positive image (see Elsbach & Kramer 1996; Elsbach & Bhattacharya 2001). In this sense, the organizational identity formation activities will be moved away from substance to image (Alvesson 1990).

### **2.5.5 Process Research**

Process theories generally focus on activities, interactions, and change within and of organizations, rather than structures and states of organizations (Langley & Tsoukas 2010). Research on organizational identity formation has provided multiple exemplary studies that are demonstrative of the way in which process research can inform theories of transformational change in and of organizations (e.g. Gioia et al. 2010; Corley & Gioia 2004). We believe that our study contributes to this line of research by identifying specific imprinting and enactment processes through which organizational identities are shaped.

However, our study is markedly different from most process studies in a number of ways. Instead of closely examining transformational change processes within one organization, we examine these processes across a wide range of organizations that almost covers an entire industry. Additionally, we did not study organizational processes in complete isolation, but have causally linked them to (temporal) organizational structures—i.e. organizational identity. Future research should examine the extent to which a similar process perspective (linking process to substance) could be fruitfully applied to other symbolic aspects of organization, such as organizational reputation, status, and culture.

Additionally, our study contributes to organizational identity process research, by deliberately linking process to substance. Our theoretical model integrates previous findings about organizational identity formation and offers important theoretical extensions that provide new alleys for future research on organizational identity. The distinction we have drawn between identity imprinting and identity enactment based on our findings shows how materiality plays an important role in processes of organizational identity (re)construction by facilitating and constraining enactment.

## 2.6 Conclusion

Our study introduced a new theoretical model explaining how elements from a variety of identity sources become imprinted into the identity of nascent organizations around inception. Although previous research has uncovered the micro-processes and generic stages through which identities are formed and constructed, our findings reveal the sources of identity and processes through which they shape organizational identities.

Based on the analysis of the identity formation process in 59 Dutch microbreweries through an old institutionalist theoretical lens, we introduced the concept of ‘identity reservoir’ to demonstrate how organizational identities are substantiated by proto-identity attributes and how these attributes can be traced back to their ultimate sources. By additionally distinguishing between identity imprinting and identity enactment processes we extend theory on organizational identity formation and expand recent initiatives to integrate different ontological perspectives.

## 2.7 Appendix: Sample of Interview Questions

### 1. General Questions: The brewery

- Can you tell us something about the history of the brewery?
- Which beer styles does the brewery produce?

### 2. Informal Organization: Central, enduring, distinctive, and dynamic organizational elements

- What are the most central characteristics of the brewery?
- Which of these characteristics are the most enduring and distinctive?
- Have there been any major shifts in the importance of these characteristics over the past few years?

### 3. Environmental Adaptation: Audience groups and important events

- What are the brewery's target groups and what value does your product offer them?
- What were the most important events during the history of the brewery?
- How did these events influence the brewery's identity?

### 4. Agency: The role of founders and owners, identity work, and image management

- How were the CED elements incorporated into the brewery?
- Who is (are) the most influential individual(s) in the brewery?
- What were important actions that had to be undertaken during the founding of the brewery?
- To what organizational peers do you compare your brewery?

## **Chapter 3. New Beer in Old Kegs: Organizational Detritus and Organizational Founding in the Dutch Beer Brewing Industry**

### **Abstract**

Prior research has shown that founders of new organizations benefit from spillovers of technical and symbolic resources from other contemporaneous organizations. We forward an alternative but complementary perspective, arguing that spillover effects may also occur from ancestral to descendant organizations. Borrowing from biology, we argue that dissolved organizations leave behind “detritus” in the form of organizational elements that continue to carry technical and symbolic value well beyond the time of failure. We test our ideas through a study of organizational foundings in the Dutch beer brewing industry between 1981-2011, finding that foundings were more likely to occur in municipalities that were home to previously disbanded ancestral breweries. Additionally, we show that new organizations founded in such locations were more likely to use organizational detritus for the construction of new organizational elements. We discuss the implications of our study for research on entrepreneurship and industry renewal.



### 3.1 Introduction

Nearly all entrepreneurs aspiring to found new organizations are confronted with steep resource constraints (Baker & Nelson, 2005). In addition to the financial resources required to fund their ventures, organizational founders typically also need technical and cultural resources to successfully complete the entrepreneurial stage of the organizational life cycle. Founders have to attract sufficient technical resources to build up and develop the technical core of their organization—the organizational structures and elements generating its core products or services (Thompson, 1967). Additionally, they must amass sufficient cultural resources to construct and maintain their organization’s symbolic core—the organizational elements that produce social support (Lounsbury & Glynn, 2001). Prior research has demonstrated that such technical and symbolic resource constraints are particularly restrictive when founders seek to start an organization that is representative of a new organizational form (Aldrich & Fiol, 1994; Rao, 1994) or in a mature industry (Deephouse & Suchman, 2008; Swaminathan, 1998).

Organizational scholars have long recognized that entrepreneurs are better equipped to overcome these challenges when they pursue their founding activities in the social or geographic proximity of other organizations of similar form. Numerous studies have demonstrated that technical resources such as dedicated knowledge or specialized labor have a habit of spilling over from one entrepreneurial venture to the next (Aharonson et al., 2007; Owen-Smith & Powell, 2004) or from parent organizations to spinoffs (Klepper & Sleeper, 2005). Similarly, symbolic resources like constitutive legitimacy or reputations for competence are enjoyed by organizational founders collectively and tend to amass with form density (Carroll & Hannan, 1989; Rao, 1994). In short, the literature on spillover effects shows that entrepreneurs often successfully turn to other contemporaneous organizations for technical and symbolic resources (Ruef, 2000).

Prior research has focused predominantly on contemporaneous spillover effects, or the process of technical or symbolic resources spilling over in real time from active organizations to other extant or newly founded organizations. Yet, the findings of several recent studies suggest that such resources can also spill over *de antiquo* (Dobrev, 2001), flowing from previously disbanded ancestral organizations to descendant organizations of

a related organizational form founded later in time (Dobrev, 2001; Dowell & David, 2011; Greve & Rao, 2012; Schneiberg, 2007). While these findings are intriguing, we currently lack a coherent theory specifying the mechanisms through which ancestral organizations affect the founding rate of their organizational descendants.

We therefore focus on advancing a theory of *de antiquo* spillover effects by conceptualizing the kinds of reusable resources ancestral organizations leave behind and by articulating how the appropriation of those resources can lead to the alleviation of the challenges facing aspiring organizational founders. First, we argue that ancestral organizations shed organizational detritus: organizational elements that are left behind as these organizations dissolve that continue to embody technical or symbolic value (cf. Zietsma & McKnight, 2009).<sup>1</sup> Subsequently, we argue that access to recyclable detritus increases the chance of successful founding as detritus provides cost-efficient and effective solutions to the resource challenges associated with entrepreneurial activity. Finally, we reason that because both technical and symbolic resources in many industries are location-bound and difficult to transfer, detritus tends to be connected durably to specific geographic communities. Ancestral organizational activity is therefore a premier source of location distinctiveness and geographic variation in the demographic and institutional structure of resource spaces (Freeman & Audia, 2006; Marquis & Battilana, 2009; Stuart & Sorenson, 2003). In short, we see the discarding and subsequent reintegration of technical and cultural detritus as the primary mechanism by which ancestral organizations affect the founding rates of their descendants.

Empirically, we study whether the local presence of ancestral beer breweries in Dutch municipalities increased local founding chances of descendant beer breweries and to what extent we could attribute this effect to the recycling of detritus left behind by ancestral beer breweries. Beer brewing in the Netherlands is a very suitable domain for this study. Having its origins in the early Middle Ages, the Dutch beer brewing industry has been characterized by multiple cycles of prosperity and decline. As such, the industry contains a significant number of ancestral organizations, distributed over several identifiable demographic cohorts. Recently, following five decades of sustained market

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<sup>1</sup> Zietsma and McKnight (2009: 145) refer more broadly to “institutional” detritus, which they define as “the bits of logics, practices, and identities remaining from the previously stable context and the process by which it was disrupted”. In this paper, we exclusively focus on technical and symbolic elements left behind by organizations.

concentration during which not a single beer brewery was founded, the industry saw an upsurge in the number of active breweries due to the founding of 178 new beer breweries between 1981 and 2011. The theoretical narrative we develop in this paper borrows from sociological perspectives on organizations and entrepreneurship. It is grounded both in qualitative insights emerging from an extensive longitudinal field study and in quantitative modeling involving discrete time event-history analysis.

Our analysis shows that municipalities with either recent (post 1900) or important early (pre 1900) ancestral beer brewing activity were considerably more likely to experience descendant brewery founding. This implies that founding challenges were easier to overcome in those municipalities as compared to municipalities without important ancestral activity. An additional analysis of the detritus recycling activities of all the 178 newly founded beer breweries showed that descendant beer breweries located in municipalities with important ancestral activity indeed frequently used detritus for the construction of new technical and symbolic organizational elements. Together, these two analyses provide empirical support for our argument that the availability of organizational detritus can help aspiring entrepreneurs overcome the typical technical and symbolic resource challenges associated with new organizational foundings.

Our study makes three contributions. First, it contributes to the literature on resource spillovers and entrepreneurship. We build on the findings of several prior studies to forward a theory of *de antiquo* spillover effects in the context of organizational founding (cf. Dobrev, 2001), specifying the role of “ancestral organizational populations” (Dowell & David, 2011). Previous studies have either focused on the ad-hoc spillover of technical resources—known as the resource release hypothesis (Brown, Lambert, & Florax, 2013; Storey & Jones, 1987)—or on the institutional preservation of cultural resources—through “memories” (Dobrev, 2001) or “legacies” (Greve & Rao, 2012). We integrate these past findings into a more general theory of organizational detritus recycling, which offers a more fine-grained and multilevel explanation of *de antiquo* spillover effects.

Second, this study adds to our understanding of the role of geographic agglomeration in core demographic processes. In particular, we show that geographic variation in vital rates is not only explained by contemporaneous agglomeration effects (Almeida & Kogut, 1999; Saxenian, 1996; Sorenson & Audia, 2000), but also by historic

agglomeration effects. In line with recent studies (cf. Greve & Rao, 2012; Schneiberg, 2007), we find that geographic differences in organizational activity may continue to shape the spatial structuring of industries for decades or even centuries after earlier populations of ancestral organizations have disappeared. We attribute this effect to the geographical ‘stickiness’ of technical and cultural detritus.

Third, we forward a new view of organizational emergence (Padgett & Powell, 2012) and population resurgence (Carroll, 1997) in mature industries. Our findings suggest that the destruction of organizations that results from increased market concentration simultaneously leads to an increase in the availability of resources for the construction of new organizations. As such, our theory could be seen as a helpful complement to the established theory of resource partitioning (Carroll, 1985) from an entrepreneurship perspective (Shane & Venkataraman, 2000). Traditionally, resource partitioning hinged on a functional explanation of organizational emergence, ascribing it to an increase in entrepreneurial opportunities due to unfulfilled latent demand following from market concentration. We forward a complementary causal explanation of organizational emergence following market concentration by developing a theory about how earlier organizational failure generates technical and cultural resources that can stimulate subsequent entrepreneurial activity. These insights add further explanatory power to one of the most well-documented theories in organizational sociology.

## 3.2 Theory and Hypotheses

### 3.2.1 *Ancestral Organizations and Organizational Detritus*

In biology, detritus refers to the “organic matter produced by the decomposition of organisms” (Oxford English Dictionary). This organic matter typically includes bodies and fragments of deceased organisms. In both terrestrial and aquatic ecosystems, detritus provides an important food source for new organisms (Parsons & Strickland, 1962; Schlesinger, 1977). The accumulation of detritus results in “humus” or “marine snow” through which important organic elements (such as carbon) are recycled into the ecosystem (Alldredge & Silver, 1988; Stevenson, 1994). We borrow this imagery to refer to the organizational elements left behind when organizations dissolve that nascent founders

can recycle during the construction of new organizations.

Yet we also take our argument beyond analogous reasoning in three ways. First, we distinguish between technical and cultural detritus, arguing that the two types can help to overcome two theoretically distinct but practically overlapping founding challenges. Second, we argue that detritus does not wash away quickly, but can continue to have value across many generations. However, over time the value of detritus is likely to shift from being predominantly technical to being predominantly symbolic. Third, we argue that detritus is typically attached to specific geographic communities and difficult to transfer. In sum, organizational fields are typified by unevenly distributed pockets of previously discarded but re-appropriable resources across geographic space. We theorize that organizational founding is easier when a founder has access to detritus. We thus expect that (1) successful organizational founding is more likely to occur in geographic communities with a history of active ancestral organizations and that (2) successfully founded organizations are frequently using detritus for the construction of new organizational elements.

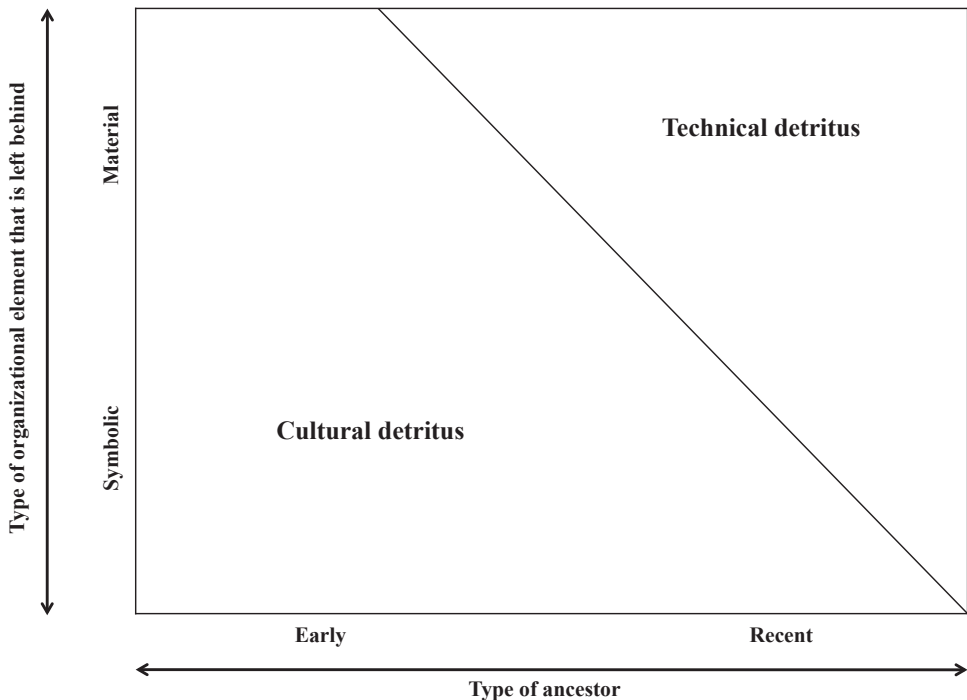
### **3.2.2 *Technical and Cultural Detritus***

We theorize that the recyclable remnants of ancestral organizations accumulate into two different types of detritus, technical and cultural. Each type is sensitive to distinct changes in value over time. Technical detritus consists of discarded organizational elements that continue to have technical value, such as production equipment, production sites, and skilled workers, which are left behind by failed ancestral organizations. Organizational founders who are able to recycle technical detritus are likely to save considerably on start-up costs related to the construction of technical organizational elements. Cultural detritus consists of discarded organizational elements that continue to have symbolic value, such as the names and logos failed ancestral organizations employed to refer to the organization and its products. Organizational founders that are able to recycle cultural detritus are likely to overcome symbolic liabilities of newness more effectively, as the recycling of such elements allows them to tie their organizations to pre-existing entities.

The technical value of discarded organizational elements is likely to decrease over

time due to physical or social deterioration. Unless it is recycled back into a functioning organization quickly, technical detritus is subject to rapid dissolution, suggesting that there is a relatively short window in time during which its value can be extracted. In contrast, the symbolic value of discarded organizational elements is not subjected to the same deterioration processes, as it persists in localized “memories” (Dobrev, 2001) or “legacies” (Greve & Rao, 2012). Cultural detritus therefore does not dissolve rapidly, and consequently has a much longer time window during which its value can be extracted. In fact, while the technical value of discarded organizational elements is *highest* right after the point of abandonment, after which it decreases due to deterioration, the symbolic value of such elements is *lowest* immediately after abandonment, but increases with time. This is because organizational failure temporarily imbues organizational elements with negative legitimacy (cf. Sutton & Callahan, 1987), but this “stigma” tends to wear off in social memory over time. Figure 3.1 depicts this time-dependent value of technical and cultural detritus graphically.

**Figure 3.1 Types of Detritus Left Behind by Different Types of Ancestral Organizations**



### **3.2.3 *The Geographical Stickiness of Organizational Detritus***

Apart from time, space similarly plays an important role in the process of detritus accumulation and recycling. Specifically, we argue that detritus is geographically sticky in that the recycling of organizational elements is most effectively done within the community to which the ancestral organization belonged. Although most elements with technical value are mobile, moving technical element across geographic space is costly and leads to value reduction. Buildings are inherently immobile, plants have to be deconstructed and re-assembled, and skilled workers either have to relocate or travel. The most efficient way to overcome technical founding challenges is thus to recycle the technical remnants of a failed organization directly and without relocation. Apart from these cost benefits, founders' inclination towards local search in response to founding challenges (Gavetti, Greve, Levinthal, & Ocasio, 2012) also makes it more likely that technical detritus will be recycled within the community in which it was previously discarded.

Whereas symbolic elements like names or logos are also mobile, cultural detritus is similarly most effectively employed within the geographic communities served by the ancestral organizations shedding the detritus. This applies especially to industries that traditionally had a localized character, such as beer brewing. In such industries, symbolic organizational elements tend to be intertwined with specific geographic locations, as reference is frequently made to geographic communities in names, logos, and brands (Glynn & Abzug, 2002). For newly founded organizations it is easier to acquire support from local constituents when the organization's cultural resources resonate with the local community (Lounsbury & Glynn, 2001). Apart from the increased effectiveness associated with employing cultural detritus locally, founders are also more likely to discover cultural detritus in their own communities due to local problemistic search (Gavetti et al., 2012).

### **3.2.4 *Previous Research***

Our ideas about the time-dependent value and geographical stickiness of organizational detritus are supported by the findings of a broad set of prior studies. Most studies of technical detritus focus on the influence of very recent ancestors on organizational founding. For example, in studies of Argentinean and Irish newspapers

(Delacroix & Carroll, 1983), Torontonion voluntary social service organizations (Tucker, Singh, & Meinhard, 1990), and U.S. community banks (Marquis & Lounsbury, 2007), researchers have found that recent organizational deaths have a positive effect on subsequent organizational births. Industrial organization scholars also find strong associations between firm exit and firm entry (Love, 1996; Shapiro & Khemani, 1987; Siegfried & Evans, 1994). Finally, Walsh and Bartunek's (2011) qualitative study of post-death organizing documents how members of disbanded organizations secured and recovered organizational elements and subsequently used them to found new organizations. Industrial organization theorists often explain these findings as a "resource release" effect, suggesting that as organizations dissolve, resources like workers and equipment are released that can be incorporated into new organizations (Siegfried & Evans, 1994; Storey & Jones, 1987).

Several recent studies, which show that ancestral organizational activity has a prolonged effect on organizational founding, provide some support for the idea of cultural detritus. For example, in a study of the Bulgarian newspaper industry, Dobrev (2001) found that organizational founding occurred at a much higher rate during a recent founding wave than during the first founding wave a century earlier. Dobrev attributes this accelerated entrance to the fact that post-socialist newspapers were "built on the traditions and the heritage of their precursors" (2001: 438). He refers to this mechanism as *de antiquo* legitimation. In two different studies, Greve and Rao (2012) and Schneiberg (2007) found relationships between local ancestral activity and local founding rates of descendants across different industries. Greve and Rao (2012) discovered that Norwegian communities that had founded fire insurance mutuals or mutual savings banks in the 19<sup>th</sup> century were also more likely to found cooperative stores in the 20<sup>th</sup> century, on average more than 50 years later. Schneiberg similarly reported multiple "correlated systems of alternative organizational forms" (2007: 64). He found, for instance, that the number of insurance mutuals in U.S. states in 1903 correlates significantly with the number of state credit unions in 1940. Greve and Rao invoke the notion of an "institutional legacy" to explain their findings, arguing that founding events imprint local communities with form-specific cultural elements, "such as cognitive accounts and normative rationales that become embodied in stories of [successful founding]" (2012: 637), which create a



proclivity to additional foundings at a later stage. Schneiberg invokes a related explanation, referring to such legacy-generating elements as “institutional flotsam and jetsam” (2007: 47).

Our work builds on these prior studies by integrating different explanations into a coherent theoretical framework about the influence of ancestral organizations on descendant organizational founding. However, whereas prior authors formulated their explanations at the industry or community level, we propose a micro perspective on *de antiquo* spillovers. We take the perspective of the organizational founder as a starting point, thereby providing an agentic explanation of a path-dependent process.

### 3.2.5 *Hypotheses*

The local availability of organizational detritus can help founders to overcome founding challenges in two ways. First, if founders are located in communities in which one or more ancestral organizations were recently dissolved, there will likely be more technical resources available that can be acquired to construct new technical organizational elements in a cost-efficient manner. As such we hypothesize:

*Hypothesis 1. Geographic communities with recently dissolved ancestral organizations contain more technical detritus, making it easier for local nascent founders to overcome technical founding challenges, and are thus more likely to experience new organizational founding.*

Second, if founders are located in communities with significant early ancestral organizational activity, there are likely to be more symbolic resources available that can be used to construct new symbolic organizational elements that resonate with local constituents. As such we hypothesize:

*Hypothesis 2. Geographic communities with early dissolved ancestral organizations contain more cultural detritus, making it easier for local nascent founders to overcome symbolic founding challenges, and are thus more likely to experience new organizational founding.*

### 3.3 The Dutch Beer Brewing Industry

Organized beer brewing emerged in the Netherlands around the 9<sup>th</sup> century with the rise of Carolingian monasteries (Hornsey, 2003; Unger, 2001, 2004). Until then, beer brewing occurred mostly in rural households. With growing urbanization during the 13<sup>th</sup> and 14<sup>th</sup> century, beer brewing became increasingly commercial and quickly developed into one of the most important industries of the region. The 1450-1650 period can be described as “the Golden Age” of Dutch beer brewing (Unger, 2001), as exemplified by the rise of large clusters of beer breweries in several Dutch towns—most commonly in densely populated Western locales like Haarlem, Gouda, Delft, and Amersfoort, but also in more remote towns like Groningen and Nijmegen. Many of these clusters soon established a national and occasionally even international presence in the Western European beer trade (Unger, 2001). Historical sources report that some towns had over 100 breweries, with more than 50 percent of their production intended for export (Lintsen, 1993; Unger, 2001; Van Dekken, 2010). Towns with significant historical beer brewing activity typically had their own unique beer styles. For example, Gouda was known for its “koyt” beer that was brewed with a mixture of bitter herbs instead of hops, while Groningen was known for its “kluin” beer, a heady brew high in alcohol (Kars, 1980).

This period of prosperity was followed by one of substantial decline (1650-1850), marking the first time a substantial population of organizations that can be seen as ancestors of contemporary breweries was dissolved. Towns like Haarlem, Gouda, and Delft lost their leading roles in the beer trade, and the focus of the industry shifted to larger port cities like Amsterdam and Rotterdam, where large-scale breweries were able to survive due to thriving shipping industries and more populous local markets (Gawronski, 1994; Unger, 2001; Van Dekken, 2010).

Technological innovations during the Industrial Revolution (1760-1840) set the stage for the first revival of Dutch beer brewing (Lintsen, 1993; Poelmans & Swinnen, 2011; Unger, 2001). Innovations like the steam engine, mechanical refrigeration, and electricity, combined with scientific discoveries related to food chemistry, allowed for increased control over the brewing process and provided opportunities for production and distribution on a larger scale. This process went hand in hand with the diffusion of pilsner

beer across Europe.<sup>2</sup> While Dutch brewers were initially slow in adopting these innovations, toward the end of the 19<sup>th</sup> century and in the beginning of the 20<sup>th</sup> century many new breweries were founded that made use of these more advanced technologies (Unger, 2001). Amsterdam was the center of this transition, where three breweries—among which Heineken and Amstel—started producing pilsner between 1860 and 1870. A decade later, other towns such as Amersfoort and Rotterdam followed suit.

The increased industrialization around the beginning of the 20th century also set the stage for industry concentration. The period between 1900 and 1980 marks a second era in which many organizational ancestors to contemporary Dutch breweries were dissolved. The industry rapidly shrunk from 440 breweries in 1910 to about 100 in 1940, and to about 40 breweries by 1960 (Simons, 1992; Unger, 2001). This decline was not only due to the fact that smaller breweries became less competitive because of the significant economies of scale associated with the new technologies, but also to the competitive strategies employed by larger breweries (Jansen, 1987). It was common practice for larger breweries to acquire smaller ones to consolidate market share. In the process, the brands and product lines of smaller breweries were discontinued. This development eventually led to an increasingly homogenous industry, ultimately composed of no more than 13 independent producers of pilsner beer, which dominated the domestic market completely by 1980.

1981 was a turning point in the history of Dutch beer brewing. That year marked the founding of the first new beer brewery since World War II. The brewery, originally established under the name De Arcense Stoombierbrouwerij and currently known as De Hertog Jan Brouwerij, re-introduced ale beer produced on Dutch soil.<sup>3</sup> The brewery had recently been abandoned by the multinational pilsner brewery Allied Breweries. The three founders were all ex-employees of Allied Breweries. Riding on the coattails of the growing popularity of Belgian ales in the Netherlands and the founding of a consumer movement organization (*PINT*) that advocated for change in the beer brewing

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<sup>2</sup> Pilsner is a type of lager, a beer style brewed with yeast that ferments at low temperatures. The production of pilsner typically requires electrical refrigeration. This is in contrast to ale, a beer style brewed with yeast that ferments at ambient temperatures and thus requires no refrigeration. A production shift from ale to lager thus requires significant additional investments in refrigerated fermentation tanks.

<sup>3</sup> The attraction of ale is that its taste is typically more complex than that of lager. Before the industrial revolution enabled controlled refrigeration, all beers were ales.

industry,<sup>4</sup> these individuals had been thinking about creating Dutch ale for several years. However, they had been unable to act on their ideas until they were able to rent the abandoned location of Allied Breweries in Arcen, Limburg province. One of the first beers they produced was Oud Limburgs, which they claimed to be “brewed from recipes from the rich beer history of Limburg”.

This first new founding event was followed by 177 other foundings in the following 31 years. Accounting for brewery failures, the Dutch beer-brewing industry grew from 13 independent beer breweries at the start of 1981 to 131 active beer breweries by the end of 2011. Almost all of the newly founded beer breweries were different from the incumbent breweries in two ways. First, they focused on the production of pilsner alternatives, referred to in Dutch popular culture as “specialty beer”.<sup>5</sup> Second, they often associated themselves with beer brewing history and tradition. Figure 3.2 shows the development of the population of Dutch beer breweries over time since 1900.<sup>6</sup> It shows the significant shakeout, the long period without new foundings, and the recent late-stage resurgence of the population. This pattern of significant concentration followed by resurgence has also been observed in other contexts, such as newspaper publishing (Carroll, 1985; Dobrev, 2000), automobile manufacturing (Dobrev, Kim, & Carroll, 2002), wine making (Swaminathan, 1995, 2001), and banking (Freeman & Lomi, 1994; Marquis & Lounsbury, 2007).

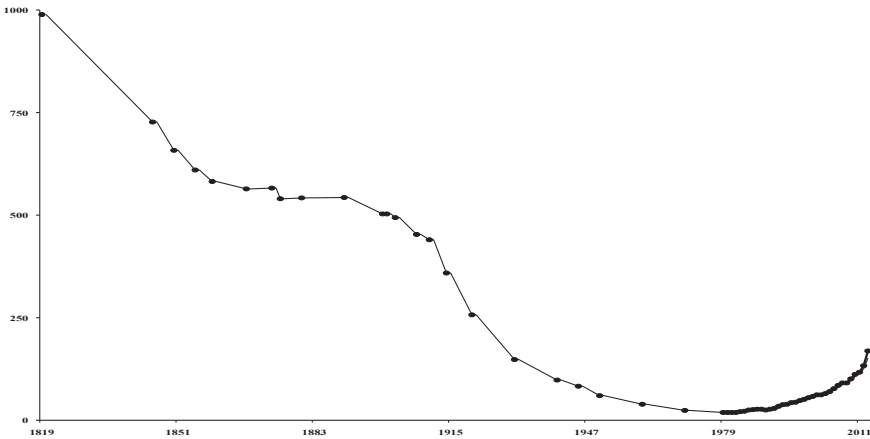
In sum, the long and rich history of the industry, combined with its extreme concentration until 1980 and vigorous resurgence since that time, make the Dutch beer-brewing industry an excellent case for studying the impact of ancestral organizations on the founding of descendant organizations. Before presenting the results of our Hypothesis tests, we provide a qualitative illustration of how founders of descendant beer breweries in the Netherlands recycled detritus.

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<sup>4</sup> Similarly to the beer industries in the U.S. (Carroll & Swaminathan, 2000) and the U.K. (Lewis, 2001), social movement forces played an important role in the mobilization of potential founders.

<sup>5</sup> Similar to those in the U.S. (Carroll & Swaminathan, 2000), Dutch specialty or craft beer breweries take three different forms. Microbreweries are production-driven breweries, typically located in industrial areas. Brewpubs have the additional facility of a tasting room, through which they are able to sell their beers directly to consumers. Brewpubs are typically located in the pedestrian centers of Dutch towns. Finally, contract brewers do not own production facilities themselves, but instead rent capacity from other breweries to brew their beers for them.

<sup>6</sup> For this graph we are relying on data points provided by academic or official sources for density figures before our observation period (e.g. Derks, 1990; Simons, 1992; Unger, 2001). The dots represent known data points.

**Figure 3.2 Density of Beer Breweries in the Netherlands, 1819-2011**

### 3.3.1 *Detritus Recycling*

Based on a qualitative field study, which included interviews with founders of 69 descendant beer breweries, we observed that (1) founders made use of organizational detritus for the construction of different organizational elements and (2) they came across organizational detritus in different ways. We distinguish between four different types of technical detritus that were frequently sought after by organizational founders: production plants, knowledge, production sites, and recipes. We similarly distinguish between four types of sought-after cultural detritus: names, logos, narrative elements, and artifacts.

We learned that founders gained access to detritus in three ways: deliberate search, accidental discovery, or hereditary possession. Certain founders deliberately searched for hand-me-down organizational elements to incorporate in their nascent ventures. Their technical goal frequently was to construct organizational elements of high quality against minimum costs, so they searched for technical elements available from other contemporaneous or ancestral organizations. Founders frequently noted that they had searched for previously used production plants or experienced brew masters. Their symbolic goal often was to construct organizational elements that resonated with local audiences. Founders therefore actively searched for cultural detritus in municipal archives or history books.

Other founders came across detritus through accidental discovery. When they were

in the process of constructing their breweries, they stumbled upon remnants of ancestral organizations, which they then decided to incorporate. Compared to founders engaged in deliberate search, these founders were less strategic about the process of detritus recycling. We frequently heard stories about founders becoming aware of recyclable elements passively, through their professional or social network.

In a final set of cases, founders had access to detritus through hereditary possession. These founders had pre-existing ties to ancestral breweries, allowing them to access recyclable organizational elements directly. Their central aim was frequently to revive an ancestral brewery and restore a brewing tradition. The main aim for these new organizational foundings was therefore the recycling of detritus itself. Table 3.1 provides exemplary case descriptions, demonstrating how founders acquired recyclable detritus from ancestral organizations.

**Table 3.1 Examples of New Organizational Elements of Descendant Breweries for which Organizational Detritus was used and Illustrative****Cases**

<b>New Organizational Element</b>	<b>Definition</b>	<b>Example of Detritus Recycling</b>
Production Plants	Any machinery used for the production of beer (such as brew kettles, lager tanks, and bottling lines)	<p>The owners of Café De Beyerd, Piet De Jongh and his sons Orson and Mikel, started the process to found their own brewery in 2002. When a large local ancestral brewery was closed in 2004, they were able to acquire several appliances that they were able to use for their own brewery, including three open fermentation vessels.</p> <p>When a large Pilsner conglomerate, Allied Breweries, closed their brewing locations in Arcen and Helmond in 1980, Toon van Reek decided to start his own brewery with two former colleagues at the location of Arcen. Although he was contractually forbidden to produce Pilsner beer, he was able to use several appliances of the former brewery for the production of his new ale beer.</p>
Knowledge	Any know-how specific to the operations of a beer brewery (such as recipe development, beer production, and distribution)	<p>Prior to founding brewery Moerenburg in Tilburg (founded in 1992), Ad Clijsen worked as a brew master for the Dutch Trappist brewery 'De Koningshoeven' where he had quit after it was acquired by Pilsner brewer Stella Artois in 1969.</p> <p>The last ancestral brewery in Amersfoort was closed in 1969. The last owners, the brothers Johan and Martinus Korthals-Altes, started a new brewery in Amersfoort in 1989, brewery De Drie Ringen.</p>
Production Site	The building used for the production of beer	<p>In 1992, a brewery was founded in the centre of Amsterdam by the Hoffman brothers who named it Maximiliaan. The brewery was situated in a former nonnery that was renovated and set-up as a brewery with financial support of the municipality of Amsterdam. Maximiliaan operated for about ten years before it went bankrupt in 2002. The location was subsequently acquired by a pub chain, De Beiaard, who started their own brewery in 2004, now called De Bekeerde Suster.</p> <p>Brewery De Leeuw in Vessem was closed in 1954. Although the building that housed the brewery's tavern continued to be in use as a pub/restaurant, the building that housed the brewery remained unused. In 2007 the entire property was acquired by Ivo Kraanen, who founded brewery De Gouden Leeuw. With financial support from the province of Noord-Brabant, Ivo was able to restore the old brewery building with its specific brewery features such as the "reefer", a space with ventilation hatches that facilitates the cooling of the 'wort'.</p>
Recipes	Any written prescription that specifies the types of ingredients and relative quantities used for the production of beer.	<p>Dobbele Java is a beer from brewery De Halve Maan (founded in 1991). It is brewed according to the recipe of a popular beer from the local ancestral brewery with the same name that was closed in 1972. The original beer was a concision of brown beer with lambic, which is from a bacteriological perspective a difficult to control production process that combines top-fermentation and open-fermentation.</p> <p>Wesley Aarse, founder of the Bijdehand brewery (since 2012), was approached by someone in his network who was in the possession of all the recipes from the Schiedamsse brewery which was active from 1993 until 1998. The recipes had not been used for over ten years, after which Wesley used them for the production of his own beers.</p>

**Table 3.1 Examples of New Organizational Elements of Descendant Breweries for which Organizational Detritus was used and Illustrative Cases (CONTINUED)**

New Organizational Element	Definition	Example of Detritus Recycling
Names	Any official denomination that is assigned to the brewery or to its beers.	After an ownership change in 2007, brewery De Leekere in Utrecht introduced a new line of beers. The majority of these beers was named after elements related to local brewing history. One of their beers, for example, was named after an ancestral brewery, 'Blauwe Bijl', that operated from a location alongside the canals in Utrecht until 1850.
Logos	Any element that features in official emblems used for the brewery in general or for its beers specifically.	Lonneke Brouns and her husband Rik Brouns founded a brewery in Stein in 2003. They named their brewery after an ancestral brewery, De Fontein, that used to be located a stone's throw away in the same street up until 1915.
Narrative elements	Any story line that is featured in the brewery's official communication (such as the brewery's website and product labels).	Museum brewery De Roos in Hilvarenbeek is a non-profit organization that has revived the ancestral brewery with the same name which closed in 1933. Apart from maintaining the monumental building and exhibiting old brewing appliances, they also brew and sell beer. Their official brewery logo, as well as the logo of their back beer is identical to the logos of the ancestral brewery.
		The logo of brewery De Drie Ringen in Amersfoort features prominently on a plaque in the facade of the brewery's building. The plaque was coincidentally found in the garden of a local museum around the time of founding of brewery De Drie Ringen. It turned out that the plaque belonged to a local ancestral brewery that was active in the 17th century.
		The founders decided to use the name and logo from this ancestral brewery.
		Brewery Jopen in Haarlem (founded in 1994) brews beers that are inspired by the rich local beer brewing history. One of their beer labels reads the following: "Brewed in accordance with the original recipe from 1501 discovered in Haarlem town archives. This beer is believed to have been one of the first beers in the Netherlands that utilized hops and was therefore referred to as 'Hoppenbier'. The brewery's name Jopen, is the Dutch word for the barrel used by brewers in Haarlem for the transportation of beer during the Middle Ages."
		Jan Franken was owner of restaurant De Croyse Hoeve in Aarle-Rixtel, situated across from an old 15th century castle, when he was approached by Frans Swinkels (a member of a well-known brewers family and owner of the Dutch Pilsner brewery Bavaria). Frans told him that the castle used to have a brewery. Jan decided to revive this brewing tradition and further investigated the brewing history. He found evidence of brewing activity from the late 17th century until the beginning of the 20th century. The stories about this ancestral brewery currently feature prominently on the website and the product labels of "Croy Bier".
Artifacts	Any object without a current technical function that serves as decoration and which is not used as a name, logo or narrative element.	Brewery Oirschots Bier was founded in 2002 by Gerard de Kroon. Gerard was the last owner of the local family brewery "De Kroon" that was active from 1627 until 1999 in the town Oirschot in the south of the Netherlands. After he had sold the brewery to Bavaria in 1999, who closed the production site in 2002, he decided to continue the family tradition by founding a new brewery at the same location. The brewery is described as a museum brewery. Apart from producing and selling his own beer at small scale, Gerard exhibits many elements from the ancestral brewery De Kroon, including the old brew house, old pumps and several tanks. Gerard uses these elements to show visitors how beer used to be brewed in brewery De Kroon.
		Brewery Bourgogne Kruis was founded in Oosterhout in 2012 by three cousins who were direct relatives of the last owners of an ancestral brewery with the same name that was acquired and closed by Heineken in 1956. In their new brewery and on their website they prominently exhibit various elements of the ancestral brewery, such as a traditional wooden beer crate with old beer bottles.



## 3.4 Data and Methods

### 3.4.1 Data and Sample

We collected data from a variety of archival sources. Our primary source was Cambrinus, an online database containing information on Dutch beer breweries. The database reports information on contemporary and historical breweries, listing the brewery name, address, year of founding, year of closure if applicable, and current owners. It also provides a description of the founding story and products for many of its entries. Cambrinus defines the founding year of a brewery as the year in which its first product was launched for commercial sale.

To ensure that our data on descendant brewery foundings (post 1980) was complete, we supplemented the data in the Cambrinus database with additional sources (mainly [www.ratebeer.com](http://www.ratebeer.com) and the Dutch Chamber of Commerce through [www.kvk.nl](http://www.kvk.nl)). We had to resort to these additional sources in part because entries in Cambrinus were made at the brewery location level. This implied that if a brewery went bankrupt and was then re-opened, Cambrinus would list the brewery only once. However, due to our focus on founders, we treated cases in which a brewery location went out of business and then was re-opened by new owners as separate cases of organizational founding. Such wholesale brewery restarts under new ownership represent four of the 178 foundings in our dataset.

To verify the completeness of the Cambrinus database for ancestral brewery activity (pre 1980), we used websites on the beer brewing history of different regions (e.g. [www.brabantsbier.eu](http://www.brabantsbier.eu); [www.pinkgron.nl](http://www.pinkgron.nl); [www.renno.nl](http://www.renno.nl)), as well as information provided by beer journalists and enthusiasts who had researched brewing history at the provincial level. These procedures led to the inclusion of eight additional cases of ancestral breweries. In 149 cases we ended up correcting the year of founding and in 89 cases the year of closure, based on the more detailed information we obtained from local sources. We subsequently verified the completeness of our database by comparing our number of entries in given years with brewery counts reported in academic sources (e.g. Lintsen, 1994; Simons, 1992; Unger, 2001). For data relating to the period between 1900 and 1980, we found that our database was nearly complete. For example, Simons (1992) reported that there were 503 active breweries in the Netherlands in 1900, of which we were able to trace

478 in our database. However, for the period between 1850 and 1900 the data proved to be less complete. For example, we were only able to identify 290 active breweries in 1875, whereas Unger (2001) reports 540 entries for that year. We therefore decided to use the supplemented Cambrinus database only for the years from 1900 onwards.

Since we could not rely on Cambrinus for early ancestral brewing activity (pre 1900), we turned to other sources. We retrieved a sizeable collection of books (e.g. Derkx, 1990, Unger, 2001; Volkers, 2006) and websites (e.g. [www.brabantsbier.eu](http://www.brabantsbier.eu); [www.pinkgron.nl](http://www.pinkgron.nl); [www.renno.nl](http://www.renno.nl)) detailing local beer brewing histories and reporting beer brewery counts per locality across various points in time. We found books or websites for all but two of the twelve Dutch provinces.<sup>1</sup> Generally, these sources obtained their information from municipal archives and/or the archive of the local Chamber of Commerce.

We conducted our analysis at the municipal level. In the Netherlands, municipalities are small geographic clusters of residential areas that enjoy a certain degree of administrative and political autonomy. In most cases, municipalities constitute the lowest level of the public administrative structure. We used the 2011 classification of 418 Dutch municipalities. Due to their semi-independent political structure and small geographic size, municipalities are relatively homogenous in terms of economic conditions and institutional features (Tolsma, Van der Meer, & Gesthuizen, 2009; Van Tubergen, Te Grotenhuis, & Ultee, 2005). Historically, municipalities represented beer breweries' main target markets, making them fitting examples of geographic communities for the purposes of our analysis.

Dutch municipalities are clustered in 40 Coördinatie Commissie Regionaal Onderzoeksprogramma (COROP) districts. These are districts in which municipalities and towns share a certain degree of economic interdependence. Although less homogenous than municipalities, COROP districts are interesting geographic units for the purposes of our analysis. Individuals and organizations are more likely to have ties with each other

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<sup>1</sup> These were the provinces of Friesland and Flevoland. Friesland is, together with Drenthe, the province that has been devoid of beer brewing activity for the longest period of time (from 1875-1984). Although other sources show that there was some ancestral beer brewing activity in this province (e.g. Lintsen [1994] reports 29 breweries in 1819, we are assuming that these were spread out across the province. This assumption is based on the fact that we did not find mention of any town in Friesland having a substantial number of breweries (e.g. more than 5) in any of our other sources about Dutch beer brewing history. The other province, Flevoland, entirely consists of man-made land that was reclaimed during the 20<sup>th</sup> century. Most towns emerged during the second half of the 20<sup>th</sup> century and as such do not have any ancestral brewing activity.

within than across COROP districts, so we also constructed variables at the COROP level. We obtained municipality, COROP, and industry data from Statistics Netherlands (CBS).

### 3.4.2 Variables

**Dependent variable.** Our dependent variable, *organizational founding events*, is an indicator of the occurrence of a beer brewery founding in a municipality in a focal year ( $t$ ) during the observation period (1981-2011).

**Independent variables.** To test our hypotheses, we used three sets of measures of ancestral brewery activity during different time periods. The first set captures very recent ancestral activity and reflects the number of brewery failures (both from the current and the recent ancestral populations) in the previous year in (1) the focal municipality (*Failed Brewery in Last 1 Yr. in Mun.*), (2) other municipalities in the focal COROP district (*Failed Brewery in Last 1 Yr. in COROP*), and (3) the country as a whole (*Failed Brewery in Last 1 Yr. in NL*). These variables capture the effect of technical detritus release on local foundings. We expect the effect of technical detritus to be immediate—i.e. recycling occurs in the same year or in the year after failure. The inclusion of measures at the COROP and national level allows us to assess whether detritus was recycled within or across municipal boundaries.

The second set consists of measures capturing local ancestral brewing activity in the period between 1900 and 1980. *Nr. of Post 1900 Ancestral Brewery Failures in Mun.* is a count variable of the total number of breweries that failed in each municipality during the 1900-1980 period. This variable was based on our supplemented version of the Cambrinus database. Since the time between failure and founding can theoretically vary from one to 111 years, this measure captures both technical and cultural detritus effects. *Post 1900 Ancestral Brewery Activity in Mun.* is a dummy version of the same variable. This allows us to assess whether additional local failures continue to improve the odds of descendant brewery founding, or whether the critical factor is whether ancestral brewing activity occurred or not.

The third set captures pre 1900 ancestral beer brewing activity. Although no usable technical resources are likely to survive for that long, symbolic elements like names, logos, narrative elements, and other artifacts may have been conserved, providing entrepreneurs

with recyclable cultural detritus. To capture the difference between municipalities that partook in the early emergence of the industry and those that did not we included two dummy variables. *Sign. Pre 1650 Brewing Activity in Mun.* is a dummy variable indicating whether or not a municipality included a town that had at least ten beer breweries concurrently at one point before 1650. *Sign. 1650-1900 Brewing Activity in Mun.* is a dummy variable indicating whether or not a municipality included a town that had at least five beer breweries concurrently at one point between 1650 and 1900. We used a higher threshold for ancestral brewing activity pre 1650 for two reasons. First, breweries were less conspicuous actors in medieval times than they are today, and nearly every municipality then had at least one or more “home breweries” that produced beer for self-consumption. We therefore only included towns with significant brewing activity in the pre-1650 variable, which would also have stood out as significant brewing centers in Medieval times. A second reason is that we cannot assume to have complete information on historic brewing activity pre 1650. Given that our historical sources tend to report on towns and municipalities with substantial numbers of breweries, which we were able to corroborate with our records of the historic beer brewing activities in nearly all Dutch provinces, we are confident that we have accurately captured all municipalities with 10 or more breweries prior to 1650 in this variable.

**Control variables.** A set of variables was included to control for alternative explanations of localized beer brewery foundings. To control for municipality size and income, we included the natural logarithm of the average population (*LN Mun. Population*) and a measure of the average disposable income per person divided by 1,000€ (*Mun. Income*). To control for the overall level of industrial activity, we included the *Av. Nr. of Industrial Firms in COROP* divided by 100. We expected that recent beer brewery foundings might have been more likely to occur in economically active districts, as multiple interviewees reported using technical detritus from firms in other industries—such as dairy and soda—for the construction of their brewery. To compute this variable, we extracted counts of the number of industrial firms located in a municipality for the available years (1995-2009) from Statistics Netherlands and aggregated the counts to the COROP level. We also controlled for the general trading and craft history of municipalities using a dummy variable (*Town with Historic Town Privileges in Mun.*), indicating whether

or not a municipality had historic town privileges based on data from Cox (2005). Town privileges were unique rights assigned to European towns during the Middle Ages, giving them a certain degree of economic and political autonomy. Town privileges typically included rights to build city walls, organize markets, and levy tolls or excise taxes on certain goods. The majority of Dutch towns with historic town privileges received them in the period between 1068 and 1586. Such municipalities thus have longer histories and are likely to have a history of craftsmanship related to some form of early industrial activity.

We also included density measures of craft breweries at the municipality (*Mun. Craft Brewery Density*), COROP (*COROP Craft Brewery Density*) and national levels (*Nat. Craft Brewery Density*), using a one year lag, to capture constitutive legitimation effects (Carroll & Hannan, 2000). All density measures start at 0 at the beginning of the observation period and are orthogonalized. Thus, COROP density captures the number of craft breweries at t-1 in the remaining municipalities in the COROP district outside the focal municipality and national density captures the number of craft breweries at t-1 in the remaining municipalities outside the focal COROP district. Table 3.2 shows descriptive statistics and correlations.

Table 3.2 Means, Standard Deviations, and Correlations for Independent Variables

Variable	Mean	S.D.	Min	Max	1	2	3	4	5	5	6	7
1 LN Mun. Population	10.08	.82	6.86	13.49								
2 Mun. Income	11.82	1.21	8.29	18.20	.01							
3 Av. Nr. of Industrial Firms in COROP	43.37	24.57	2.85	91.77	.05	.22						
4 Town with Historic Town Privileges in Mun.	.37	.48	0	1	.30	-.07	-.05					
5 Mun. Craft Brewery Density	.09	.35	0	6	.27	-.01	.03	.15	.54			
6 COROP Craft Brewery Density	1.18	1.77	0	11	-.05	.09	.37	-.02	.15	.14		
7 Nat. Craft Brewery Density	36.51	30.43	0	108	.00	-.01	-.02	.00	.23	.20	.51	
8 Nr. of Failed Breweries in Last 1 Yr. in Mun.	.00	.07	0	2	.07	.00	.01	.03	.09	.07	.01	.02
9 Nr. of Failed Breweries in Last 1 Yr. in COROP	.06	.24	0	2	-.01	.02	.13	.00	.01	.01	.11	.10
10 Nr. of Failed Breweries in Last 1 Yr. in NL	1.65	1.45	0	5	.00	.00	-.02	.00	.13	.10	.25	.46
11 Nr. of Post 1900 Ancestral Br. Failures in Mun.	1.48	3.25	0	39	.28	-.05	-.04	.19	.23	.23	.01	.00
12 Post 1900 Ancestral Br. Activity in Mun.	.42	.49	0	1	.23	-.09	.07	.20	.14	.17	.08	-.01
13 Sign. 1650-1900 Brewing Activity in Mun.	.09	.28	0	1	.34	-.02	.15	.21	.19	.19	-.02	.00
14 Sign. Pre 1650 Brewing Activity in Mun.	.06	.23	0	1	.36	.01	.01	.27	.24	.24	-.04	.00
Variable	8	9	10	11	12	13						
9 Nr. of Failed Breweries in Last 1 Yr. in COROP	-.02											
10 Nr. of Failed Breweries in Last 1 Yr. in NL	.01	.05										
11 Nr. of Post 1900 Ancestral Br. Failures in Mun.	.04	-.02	.00									
12 Post 1900 Ancestral Br. Activity in Mun.	.04	-.01	.00	.54								
13 Sign. 1650-1900 Brewing Activity in Mun.	.06	-.01	.00	.29	.35							
14 Sign. Pre 1650 Brewing Activity in Mun.	.07	-.02	.00	.27	.24	.60						

N= 12,958 municipality-year observations

### 3.4.3 Analysis

We used multilevel discrete-time event history data, in which municipalities are the subjects at risk of experiencing an event—i.e. a brewery founding. The 418 municipalities are embedded in 40 COROP districts and 12 provinces. We assumed that municipalities were at risk of experiencing a brewery founding after the establishment of the influential consumer movement organization *PINT* at the end of 1980. 1981 also marked the year of the first new brewery founding since WWII, which is the first founding event included in our dataset. While our dataset contained four instances of a municipality experiencing two founding events in one year, we treated these observations as single events in order to have a binary dependent variable. The final dataset thus included 174 founding events for 418 municipalities across 31 years, or 12,958 municipality\*year spells. In total, 123 municipalities experienced at least one founding event, of which 31 more than one.

We use complementary log-log regression to estimate our models, which is appropriate when a proportional hazard model holds in continuous time, but the survival times are interval censored (Allison, 1982; Rabe-Hesketh & Skrondal, 2012: 356). We use the `cloglog` and `xtcloglog` commands in Stata. The former can be used to specify fixed-effects event-history models, while the latter can be used to specify two-level random intercept models to account for unobserved heterogeneity related to the geographic embeddedness of our observations. For each model specification, we estimated multiple random intercept models to uncover the existence of any unobserved heterogeneity arising from the different clusters. As our data can be clustered in years, municipalities, COROP districts, and provinces, we used the `xtcloglog` command to obtain and assess the residual  $\rho$  for each cluster separately. For reasons of parsimony we only report the residual  $\rho$  for the models with random intercepts at the municipality level. Nonzero and significant  $\rho$  values either derive from biased fixed-effects estimations or from cluster-specific omitted variables. We therefore compare each fixed-effects model to the various random-intercept models to detect the possible presence of bias in the fixed-effects estimates.

## 3.5 Results

### 3.5.1 *Effects of Ancestral Brewing Activity on Descendant Brewery Foundings*

Table 3.3 shows the results for our two hypotheses. Models 1 and 2 report control variable results and reveal several intuitive findings. First, descendant beer breweries were more likely to be founded in municipalities with larger populations. Second, descendant beer breweries were somewhat more likely to be founded in municipalities with historic town privileges, although this effect weakens once we include variables capturing ancestral brewing activity. Third, the likelihood of descendant beer brewery founding increases somewhat with the number of craft beer breweries in the municipality and increases considerably with the total number of operative craft beer breweries in the Netherlands. Compared to 1981, the odds of experiencing the successful founding of a descendant brewery are about six times higher in 2011.<sup>1</sup>

In Models 3 to 7 we add our independent variables stepwise. Our results support Hypothesis 1. The probability of descendant brewery founding increases with very recent ancestral activity—i.e. the failure of an ancestral brewery occurring in a municipality in the previous year (see Model 3). As hypothesized, we attribute this effect to technical detritus release. Our results similarly support Hypothesis 2. The odds of experiencing a descendant brewery founding increase when a municipality was home to substantial early (pre 1650) ancestral activity (see Model 7). We attribute this effect to the persistence of cultural detritus.

We also find a significant effect for post 1900 ancestral failures. In models 4 and 5, we compare the explanatory power of the count and dummy variants of this variable. We find positive and significant effects for both variables, but the model that includes the dummy variable has more explanatory power. Founding probabilities thus do not increase monotonically with the number of ancestral breweries. Since the time elapsed from ancestral failure to descendant founding can in theory range from one to 111 years in this variable, we proceed to unpack it into several dummies indicating when the last ancestral brewery failed within a municipality, to further disentangle technical and cultural detritus

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<sup>1</sup> We calculated this by interpreting the coefficient as a percent change in the hazard rate given a unit change in the explanatory variable using the following transformation  $(\exp(b)-1)*100$ , where  $b$  is the coefficient as reported in our regression table (Allison, 1995).



effects (see Model 6).<sup>2</sup> We find a strong positive effect for relatively recent ancestral failures occurring between 1965 and 2011, which we primarily attribute to technical detritus release. Yet we also found positive effects on descendant brewery founding in municipalities that saw their last ancestral breweries fail between 1900 and 1944 or between 1945 and 1964. We attribute these effects to the local availability of cultural detritus.

Several other findings add nuance to our theoretical predictions. First, apart from the positive effect of local brewery failure in  $t-1$ , we also find a small effect for brewery failure in  $t-1$  at the national level. This suggests that technical detritus is sometimes relocated, although it is more likely to be recycled within municipal boundaries. Second, while we find that descendant beer breweries were considerably more likely to be founded in municipalities with significant pre 1650 ancestral brewing activity, we found no effect for significant ancestral brewing activity between 1650 and 1900. A closer look at the data reveals that a large proportion of all municipalities that fitted this latter category also were active brewing centers prior to 1650. Furthermore, except for the municipality of Enkhuizen, all municipalities that were active brewing centers during the 1650-1900 period continued to have active breweries after 1900. The variable thus contained little unique variance.

Models 7 and 8 again estimate the full model, but for two different subsets of descendant brewery foundings. Model 7 relates to microbreweries—i.e. descendant breweries owning their own production equipment, whereas Model 8 deals with contract brewers—i.e. descendant breweries renting production capacity of other breweries. Compared to contract brewer foundings, successful microbrewery foundings were (1) more likely to occur in low income municipalities, (2) slightly more likely to occur in municipalities with historic town privileges, (3) less sensitive to national craft brewery density, (4) considerably more sensitive to very recent local brewery failures, and (5) less likely to occur in municipalities with early (both pre 1650 and 1650-1900) ancestral brewing activity.

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<sup>2</sup> The reference category consists of municipalities without evidence of important ancestral activity.

Table 3.3 Discrete Time Event-History Models of Local Beer Brewery Foundings in the Netherlands

	All breweries								
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
LN Mun. Population	0.82*** (0.08)	0.75*** (0.10)	0.74*** (0.10)	0.71*** (0.10)	0.69*** (0.10)	0.63*** (0.10)	0.56*** (0.11)	0.64*** (0.14)	0.56*** (0.18)
Mun. Income	-0.01 (0.08)	-0.010 (0.08)	-0.01 (0.08)	-0.01 (0.08)	0.02 (0.08)	0.04 (0.08)	0.02 (0.08)	-0.12 (0.11)	0.20 (0.11)
Av. Nr. of Industrial Firms in COROP	-0.00 (0.00)	-0.00 (0.00)	-0.00 (0.00)	-0.00 (0.00)	-0.01 (0.00)	-0.01 (0.00)	-0.01 (0.00)	-0.01+ (0.01)	-0.00 (0.01)
Historic Town Privileges in Mun.	0.29+ (0.17)	0.27 (0.17)	0.27 (0.17)	0.22 (0.18)	0.09 (0.19)	0.05 (0.19)	-0.04 (0.19)	0.17 (0.24)	-0.45 (0.33)
Mun. Craft Brewery Density		0.24* (0.11)	0.22* (0.11)	0.19 (0.12)	0.20+ (0.11)	0.14 (0.12)	0.10 (0.12)	0.11 (0.15)	0.10 (0.16)
COROP Craft Brewery Density		0.04 (0.05)	0.04 (0.05)	0.04 (0.05)	0.02 (0.05)	0.03 (0.05)	0.04 (0.05)	0.08 (0.07)	-0.00 (0.07)
Nat. Craft Brewery Density		0.02*** (0.00)	0.02*** (0.00)	0.02*** (0.00)	0.02*** (0.00)	0.02*** (0.00)	0.02*** (0.00)	0.01** (0.00)	0.03*** (0.01)
Failed Brewery in Last 1 Yr. in Mun.			0.93* (0.42)	0.93* (0.42)	0.89* (0.42)	0.85* (0.42)	0.82* (0.42)	1.15* (0.46)	-0.17 (0.98)
Failed Brewery in Last 1 Yr. in COROP			0.08 (0.30)	0.06 (0.30)	0.08 (0.30)	0.08 (0.30)	0.08 (0.30)	0.09 (0.39)	0.13 (0.42)
Failed Brewery in Last 1 Yr. in NL			0.08 (0.05)	0.09+ (0.05)	0.09+ (0.05)	0.09+ (0.05)	0.09+ (0.05)	0.10 (0.07)	0.09 (0.08)
Nr. of Post 1900 Ancestral Brewery Failures in Mun.				0.03+ (0.01)					
Post 1900 Ancestral Brewery Activity in Mun.					0.61*** (0.18)			0.45+ (0.18)	0.71* (0.18)
						0.66***	0.59***		



These findings are in line with our predictions. Since microbrewery founders have to overcome greater technical challenges related to the construction of a production facility, microbrewery foundings are more sensitive very recent ancestral activity. As the challenges facing brewery renter founders are primarily symbolic, they are more sensitive to early ancestral activity. Finally, since microbreweries are more expensive to exploit, they are often integrated into a pub or restaurant. Such integrated facilities are more likely to be founded in municipalities with historic town privileges, since these typically have historic centers that attract tourists.

### 3.5.2 *Evidence of Detritus Recycling*

To lend greater credence to the idea that the positive effects of ancestral brewery failures on descendant brewery foundings are attributable to detritus release and recycling, we assessed the extent to which descendant beer breweries used detritus for the construction of new organizational elements. We analyzed the founding process of all 178 descendant breweries, coding each incidence of detritus recycling. We followed the distinction made in Table 3.1 concerning eight different types of organizational elements. Four of these represented the “technical core” of the organization (plants, knowledge, building, and recipes), the other four the “symbolic core” of the organization (names, logos, stories, and artifacts). The aim of this analysis was to examine for each descendant brewery whether or not the brewery founders had used detritus to construe new organizational elements.

We generated a broad set of data sources to detect incidences of detritus recycling. First, we relied on our own interviews with 69 descendant brewery founders, and on interviews conducted by De Winter (1986) at seven additional breweries. Second, we accessed the websites [www.cambrinus.nl](http://www.cambrinus.nl), [www.biernet.nl](http://www.biernet.nl), and [www.bieretiketten.nl](http://www.bieretiketten.nl), which contain extensive descriptions and beer labels for each brewery active in the Netherlands since 1900. Third, we examined brewery websites. For those founded longer than three years ago we used [www.waybackmachine.com](http://www.waybackmachine.com) to examine website information from around the time of founding. Fourth, we examined archival news sources like *PINT Nieuws*, [www.db.nl](http://www.db.nl), and [www.lexisnexis.nl](http://www.lexisnexis.nl), and conducted Google searches. For breweries founded within the last five years for which our information was incomplete, we

emailed the founders asking them specific questions about the construction of organizational elements for their new breweries.<sup>1</sup>

In most cases, once sufficient information was available, establishing whether or not detritus was used was reasonably straightforward. For example, from an interview with one of the founders we learned that *Stadsbrouwerij Dordrecht* was able to make use of a building that used to house the well-known ancestral brewery *De Sleutel* that was active from the 15th century until 1968, when it was acquired and closed by Heineken. Similarly, from our interviews with the founders we learned that *Brouwerij De Beyerd* made use of the name, logo, and a recipe of local ancestral brewery *De Drie Hoefijzers*, which was active from 1628 until 1968, when it was acquired by the British brewing conglomerate *Allied Breweries*.

Sometimes it was more difficult to determine whether or not local detritus was used, especially for unsuccessful descendant breweries of earlier cohorts. For example, *Brouwerij Marquis de Bosch* in Staphorst was active from 1988 until 1989. Due to this short period of activity in the early days of the Dutch craft brewery movement, profile descriptions on [www.cambrinus.nl](http://www.cambrinus.nl) and [www.biernet.nl](http://www.biernet.nl) were limited and there was no archived brewery website available. Through the historic newspaper archives of the Dutch Royal Library ([www.kb.nl](http://www.kb.nl)) we were able to trace three newspaper articles that included short interviews with the founder. Through these we learned that the founder had accumulated knowledge by working at his uncle's brewery in Denmark and at another brewery in Belgium, and that he had established his brewery in the old city hall of Staphorst. We also learned that the name of the brewery and some of its recipes were derived from an ancestral brewery situated in the same COROP region. However, we were unable to establish how the founder sourced the resources to construct the brewery's plants and whether or not he reused elements of the ancestral brewery in logos or artifacts. In this and similar cases, we coded negatively for detritus use, making our estimates conservative. Out of the 1424 possible cases of detritus use (178 descendant breweries \* 8 types of organizational elements), we could not code 58 (4%) due to insufficient information availability.

For the purpose of the analysis, we grouped municipalities in different categories

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<sup>1</sup> We ended up sending emails to 31 breweries and received responses from 27, representing an 87% response rate.

based on ancestral brewery activity and compared the number of descendant beer breweries that had used local detritus for the construction of at least one new organizational element. The different groups of municipalities were based on (1) the presence of “important ancestral brewing activity”, (2) the recency of ancestral brewery failure, and (3) the number of recently failed ancestral breweries.<sup>2</sup> Municipalities with “important ancestral activity” either had at least one ancestral brewery that failed after 1900, at least five concurrent ancestral breweries between 1650-1900, or at least 10 concurrent ancestral breweries pre 1650. Apart from comparing across groups of municipalities, we also compared across three cohorts of descendant breweries to see how detritus use evolved over time—*Cohort 1*: 1981-1994, *Cohort 2*: 1995-2004, and *Cohort 3*: 2005-2011.<sup>3</sup> As we found that founding became easier over time with increasing brewery density, we expected detritus recycling to be more prevalent among descendant beer breweries of earlier cohorts.

Table 3.4 compares municipalities *with* and municipalities *without* important ancestral brewing activity in terms of detritus use by descendant beer breweries, further broken down by microbreweries vs. contract brewers. The first column indicates the total number of descendant breweries. In line with our event history analysis, it reveals that descendant founding occurred more frequently in municipalities with important ancestral brewing activity. More importantly, the table shows that descendant beer breweries in municipalities *with* important ancestral brewing activity made considerable use of local detritus: 40.7% of all breweries used it for at least one new organizational element. We also found that descendant beer breweries in municipalities *without* important ancestral brewing activity made use of local detritus, albeit less frequently (16.4% of breweries). However, where descendant breweries in municipalities *with* important ancestral activity make use of detritus for the construction of both technical and symbolic elements, descendant breweries in municipalities *without* important ancestral activity only make use of detritus for the construction of symbolic elements. There is no discernible difference between microbreweries and contract brewers, apart from the observation that there are

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<sup>2</sup> Recently failed ancestral breweries are breweries that failed between 1900 and 1980. For the categorization of recency of failure we also include municipalities that saw their last ancestral brewery fail during our observation period (1980-2013).

<sup>3</sup> We varied the time windows in order to spread the number of foundings more evenly across the cohorts. Cohort 1 includes 39 foundings, cohort 2 includes 57 foundings and cohort 3 includes 110 foundings.

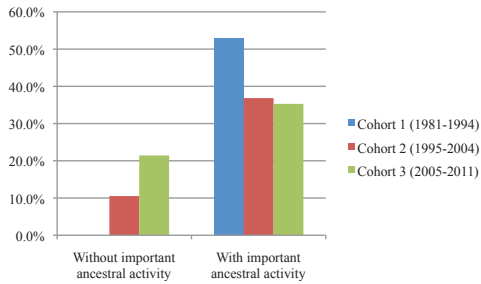
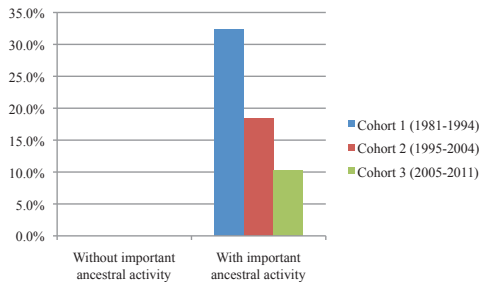
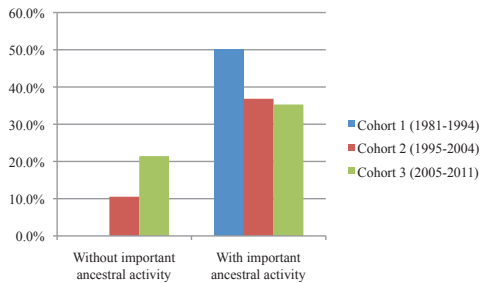
relatively more microbreweries that made use of detritus for the construction of at least one symbolic organizational element.

**Table 3.4 Municipalities with/without Ancestral Brewing Activity and Detritus Use: The Number of Descendant Beer Breweries for which Local Detritus was Used for the Construction of at Least one Organizational Element**

	Descendant Breweries		Detritus		Technical Detritus		Cultural Detritus	
	Nr.		Nr.	%	Nr.	%	Nr.	%
Municipalities <i>without</i> important ancestral brewing activity or significant early activity	55		9	16.4%	0	0.0%	9	16.4%
<i>Breweries</i>	37		6	16.2%	0	0.0%	6	16.2%
<i>Contract Brewers</i>	21		3	14.3%	0	0.0%	3	14.3%
Municipalities <i>with</i> important ancestral brewing activity or significant early activity	123		50	40.7%	25	20.3%	49	39.8%
<i>Breweries</i>	66		33	50.0%	15	22.7%	32	48.5%
<i>Contract Brewers</i>	49		19	38.8%	11	22.4%	19	38.8%

<sup>a</sup> 5 breweries are in both the "Breweries" and the "Contract Brewers" category as they transitioned from contract brewer to brewery during the observation period.

Figures 3.3, 3.4 and 3.5 display comparisons of detritus use across the three cohorts of descendant breweries. The figures show that for municipalities *with* important ancestral activity, the number of descendant breweries using detritus decreases over time. For municipalities *without* important ancestral activity, the number of descendant breweries using detritus for the construction of symbolic organizational elements is zero for the first cohort and then increases over time. This pattern suggests that cultural detritus recycling may be subject to an institutionalization process, with later cohorts mimicking existing peers that used cultural detritus. Since our ancestral activity measure only captures municipalities with at least 5 concurrent breweries pre 1900, it is likely that the certain municipalities outside this category contained at least a few ancestral breweries pre 1900. Founders of later cohorts of descendant breweries in municipalities *without* important ancestral activity could therefore also occasionally have found and recycled cultural detritus.

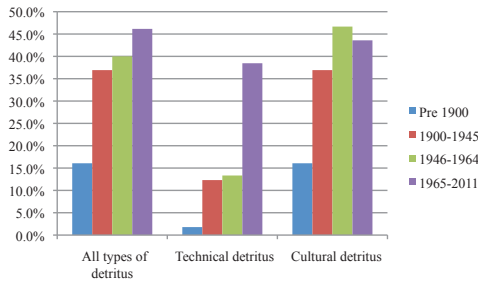
**Figure 3.3 Proportion of Descendant Breweries using Local Detritus across Cohorts****Figure 3.4 Proportion of Descendant Breweries using Local Technical Detritus across Cohorts****Figure 3.5 Proportion of Descendant Breweries using Local Cultural Detritus across Cohorts**

Figures 3.6 and 3.7 compare detritus recycling in different groups of municipalities based on post 1900 ancestral brewing activity. Both figures show that detritus recycling was more frequent in municipalities that had at least one ancestral brewery post 1900. Additionally, Figure 3.6 shows that detritus recycling was more frequent in municipalities experiencing late ancestral brewery failure, and that the difference is largely due to the

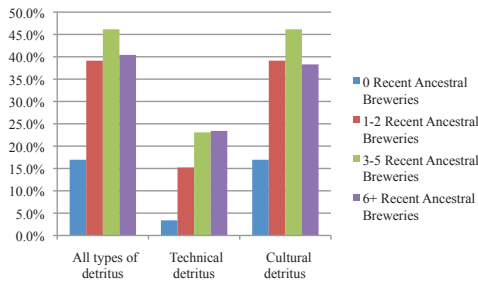


recycling of technical detritus. Finally, Figure 3.7 shows that the frequency of detritus recycling is only moderately sensitive to the number of ancestral breweries. These patterns are in line with the results of our event history analysis, in which we found the binary variable of post 1900 ancestral brewery activity to exhibit greater explanatory value than the count variant of the same variable. In sum, these additional analyses show that descendant beer breweries frequently recycled detritus released by ancestral breweries to construct new organizational elements.

**Figure 3.6 Proportion of Descendant Breweries using Local Detritus across Municipalities Grouped by Recency of Last Ancestral Brewery Failure**



**Figure 3.7 Proportion of Descendant Breweries using Local Detritus across Municipalities Grouped by Number of Post 1900 Ancestral Breweries**



### 3.6 Discussion and Conclusion

We have argued that ancestral organizations leave behind remnants in the form of technical and cultural detritus that can be appropriated and recycled by entrepreneurs seeking to overcome the resource challenges associated with organizational founding. Our

two main findings corroborate these ideas. First, Dutch municipalities with ancestral beer brewing activity were more likely to experience descendant beer brewery foundings after 1981. We find positive effects for both early (pre 1650) and recent (post 1900) ancestral activity. Second, founders of descendant beer breweries use detritus to construct new organizational elements, especially in municipalities with significant ancestral activity. Based on these ideas and the presented evidence, our study contributes new theoretical insights pertaining to the roles of (1) *de antiquo* resource spillovers in entrepreneurship, (2) geographic communities in core demographic processes, and (3) market concentration in industry renewal. We elaborate on these three contributions below.

### **3.6.1 *De Antiquo Resource Spillovers and Entrepreneurship***

Our theory of detritus recycling enriches research on the role of entrepreneurship in organizations' ability to capitalize on *de antiquo* resource spillovers. Several recent studies (Dobrev, 2001; Dowell & David, 2011; Greve and Rao, 2012; Schneiberg, 2007) have suggested that ancestral organizations can play an important role in present-day organizational dynamics, well beyond their death. In our own study, we have shown that detritus spilling over *de antiquo* from ancestral organizations facilitates descendant organizational founding. More specifically, regions with sizeable ancestral populations are more likely to experience new organizational foundings. The main point of difference between the aforementioned prior studies and our own, however, is that these earlier works tend to frame ancestral population effects as the outcome of self-activating social processes like institutionalized legacy or memory reenactment. In contrast, our theory is deeply agentic, and frames the linkages between ancestral organizational failure and descendant organizational founding as a process that is wholly mediated by entrepreneurial activity.

This entrepreneurial take on *de antiquo* resource spillovers has important implications for theories of renewal processes in mature organizational fields. Our entrepreneurial-centric theory of detritus recycling portrays the interrelated processes of detritus recognition and reintegration as fully dependent on the activities of nascent organizational founders. Seen through this agentic lens, institutional environments are in constant danger of entropy if they are not permanently renewed and maintained (Lawrence & Suddaby, 2006). Technical detritus quickly loses its value due to physical deterioration

unless an entrepreneur rapidly reincorporates it into a new venture. Absent entrepreneurial individuals, overcoming technical founding challenges thus soon becomes as challenging in environments with significant ancestral organizational populations as in those lacking ancestral activity completely. The cultural detritus shed by ancestral organizations is equally prone to deterioration, due to the imperfect functioning of social memory systems (Olick & Robbins, 1998). The entrepreneurial recycling of symbolic organizational elements is therefore an important manner through which institutional support structures can be maintained or re-awakened. In short, technical and cultural detritus does not persist due to self-activating social processes, but requires active maintenance in the form of individual entrepreneurial actions.

### ***3.6.2 Geographic Communities and Organizational Dynamics***

Our study also advances recent research on the roles of spatial organization and geographic communities in organizational dynamics (Freeman and Audia, 2006; Marquis and Battilana, 2009). While there is growing awareness that geography matters, most empirical research to date has attributed geographic variation in organizational dynamics to differences in contemporary geographic agglomeration effects (e.g. Almeida & Kogut, 1999; Saxenian, 1996; Sorenson & Audia, 2000). Yet, recent research finds that the geographic agglomeration of organizations leaves durable imprints on the spatial structure of industries well beyond the lifetime of these organizations themselves (Greve & Rao, 2012; Schneiberg, 2007). Our study unveils some of the mechanisms driving these geographical imprinting effects, notably by theorizing and testing the geographical ‘stickiness’ of enabling entrepreneurial resources in the form of technical and cultural detritus.

For example, in the Middle Ages the municipality of Haarlem housed one of the most prominent local agglomerations of beer breweries. At the end of the 15<sup>th</sup> century, Haarlem was home to well over 100 beer breweries. About half of their production was destined for national and international export. However, due to factors like the Spanish siege of Haarlem at the end of the 16<sup>th</sup> century, a major plague epidemic during the 17<sup>th</sup> century, and the demise of the local textile industry around the beginning of the 18<sup>th</sup> century, Haarlem’s population was drastically reduced. This contributed to the nearly

complete destruction of the local beer brewing industry by the beginning of the 19<sup>th</sup> century. After 1800, only a few beer breweries remained, until the last beer brewery disappeared in 1915. Yet in 1994, a new brewing initiative was launched under the name Jopen. Jopen was founded by a group of local historians who wanted to educate the local community about Haarlem's rich beer brewing history on occasion of the town's 750<sup>th</sup> anniversary. In the city archives they found recipes dating back to the 15<sup>th</sup> century, which they used for the development of new beers. They also used names, logos, and narrative elements that were adapted from local ancestral beer breweries. Although the initiative was originally intended to persist only until the anniversary celebration, it was so successful that one of the group's members decided to propel it into a commercial business. Whereas Jopen started as a contract brewer, in 2010 it opened its own brewpub in a historical church building it was able to acquire from the local municipality. The venture is currently one of the fastest-growing beer breweries in the Netherlands.

The example of Jopen shows that local institutional support structures can be reactivated through the entrepreneurial recycling of cultural detritus. Even more important for our ideas concerning the geographical stickiness of enabling entrepreneurial resources is that the example illustrates how cultural detritus can most effectively be employed within the municipality that once housed the ancestral organizations that shed the detritus in the first place. Jopen's success can only be explained by the fact that its reenactment of Haarlem's glorious beer brewing past tapped into the pride and newly found historical awareness of the local population. It is highly doubtful whether a brewery under the same name and selling identical beers would have been equally successful in geographically proximate but historically different municipalities like Amsterdam or Zaandam. In more general terms, we propose that the spatial organization of organizational fields is not merely influenced by contemporaneous agglomeration effects, but also by ancestral organizational agglomerations, which provide contemporary entrepreneurs with enabling resources that are of predominantly local value.

### ***3.6.3 Market Concentration and Industry Renewal***

Our study also enriches existing research on market concentration and industry renewal. While the pattern of market concentration followed by the emergence of new

organizations has been widely documented (Carroll & Hannan, 2000), our knowledge of the causal mechanisms driving this pattern remains contested. The well-established theory of resource partitioning (Carroll, 1985) provides a functional explanation for this phenomenon, ascribing the emergence of new specialist organizations to an increase in latent demand for alternative products that goes hand in hand with an increase in the market share of generalist organizations. Our study provides a complementary explanation from an entrepreneurial perspective (Shane & Venkataraman, 2000). Instead of focusing on latent demand, we focus on the resources available to potential entrepreneurs that can explain successful organizational emergence. Our theory of detritus recycling implies that the organizational destruction caused by market concentration generates resources that facilitate the proliferation of new organizations.

The Dutch beer brewing industry is arguably an extreme case in that unprecedented concentration and homogenization was followed by remarkable expansion and diversification. It therefore constitutes an ideal setting for studying the role of organizational destruction in industry revival. However, this pattern is not unique to the Dutch beer brewing industry, but it is exemplary for many mature industries. The findings of several recent studies suggest that our theory may apply to many different contexts (see Dobrev 2001; Schneiberg, 2007; Marquis and Lounsbury, 2007). In sum, organizational destruction is not an irreversible process associated with the creation of new markets and orders, but it actually plants the seeds for subsequent cycles of renewal and change, making social systems “structurally vulnerable toward tipping” (Padget & Powell, 2012: 26). There is thus a double meaning hidden in the Schumpeterian notion of “creative destruction”, as organizational destruction is not only the consequence of innovation in the form of entrepreneurial competition and the rendering of new resource combinations, but simultaneously the antecedent to such emergent entrepreneurial processes.

## **Chapter 4. Institutional Logic Re-Emergence after Dormancy: The Rise of the Craft Beer Market in the Netherlands**

### **Abstract**

This paper describes how the rise of new markets in mature and monistic organizational fields can be ascribed to the re-emergence of dormant institutional logics. We report a longitudinal qualitative study documenting the rise of the Dutch craft beer market and demonstrate how this market emerged when the dormant logics of aesthetics, conservation, and perfection in beer brewing were re-awakened, re-dressed and re-manifested. Although historically these logics played an important role in the structuring of the field, their influence was diminished during the 20th century with increasing dominance of a profit logic. We find, however, that these logics did not disappear but continued to be dormantly embodied by peripheral actor groups which was facilitated by the presence of cultural detritus—i.e. symbolic organizational remnants—left behind by ancestral organizations. The process of logic re-emergence resembled a process of collective identity work in which peripheral actor groups were able to re-establish themselves in central positions in the field by deriving impetus from a combination of infield and outfield sources. These findings advance the institutional logics perspective and have implications for research on emergence in mature organizational fields.

## 4.1 Introduction

Explaining the transformation of organizational fields is a challenging issue for organizational scholars. Prior studies have primarily conveyed a theoretical imagery in which organizational fields gradually become more homogenous and stable over time due to the isomorphic diffusion of organizational forms and practices. However, recent studies have suggested that the stability of organizational fields may have been overstated, and that even in mature and seemingly monistic fields the trend towards isomorphism can go in reverse (e.g. Clegg & Baumeler, 2010; Hambrick, Finkelstein, Cho, & Jackson, 2005; Lounsbury, 2007; Schneiberg, 2007). Several studies, in fact, show that mature fields that appeared to be on an irreversible path towards a monistic configuration can in fact become more pluralistic and complex again through the late-stage emergence of new markets (see Carroll, Dobrev, & Swaminathan (2002) and Hambrick et al. (2005) for examples).

Recent research suggests that this reversibility of field-level isomorphic processes can be attributed to the continued co-existence of alternative rationalities—or *institutional logics*—specifying appropriate means-end relationships for guiding the behavior of field-level actors and determining the structure of organizational fields. Researchers have argued that fields are permeated by heterogeneous constellations of logics, which wax and wane over time, in which certain logics can temporarily dominate others (Goodrick & Reay, 2011; Ruef & Patterson, 2009). However, when logics become dominated they do not necessarily disappear, but may remain in the field albeit in more dormant form (Schneiberg, 2007; van Gestel & Hillebrand, 2011; Zietsma & McKnight, 2009). Although researchers have suggested that these dormant elements may re-emerge to fuel the creation of new markets and other forms of off-path organizing (e.g. Schneiberg, 2007), it is unclear how this occurs.

Within the broader literature, there are two different approaches that can be applied to theorize about the structural sources behind logic re-emergence in organizational fields: an *external structuralist* approach that looks outward from the field to explain change and an *internal structuralist* approach that turns its look inward (Schneiberg, 2007). Where external structuralist explanations primarily view exogenous shocks (e.g. Sine &

David, 2003) as sources of change and ascribe transformative power to actors that bridge multiple fields (e.g. Greenwood & Suddaby, 2006), internal structuralist explanations evoke latent demand structures (e.g. Carroll, 1985), grievances of peripheral actors (e.g. McAdam, McCarthy, & Zald, 1996), and “institutional flotsam and jetsam” or “detritus” (e.g. Schneiberg, 2007; Zietsma & McKnight, 2009) to explain “off-path” organization. While each of the two approaches thus points to different drivers of field change, researchers have suggested that these approaches need to be combined in order to fully understand logic emergence (Thornton, Ocasio, & Lounsbury, 2012: 168).

In this paper, we address these gaps in our understanding by studying the mature and monistic field of Dutch beer brewing. We show how, in this setting, the late-stage construction of new markets resembles a process of institutional logic re-emergence fueled by a combination of infield and outfield sources. While the Netherlands have historically always had a large number of beer breweries producing a wide variety of beers since the emergence of the industry during the Middle Ages, by 1980 there were only 13 independent beer breweries left that almost exclusively produced a singular product: Pilsner. Surprisingly, after decades of concentration and homogenization in which no new organizational foundings occurred, since 1981 there has been a dramatic increase in the number of beer breweries and in the variety of their product offerings. In the Netherlands, the beers produced by these breweries have become known as craft beer.<sup>1</sup> We draw on an in-depth longitudinal qualitative study of this setting to show that the Dutch market for craft beer arose when exposure to outfield exemplars activated infield carriers of dormant logics, namely peripheral actors and cultural detritus.

By employing the institutional logics perspective to shed new light on processes of late stage market emergence in mature organizational fields, we contribute to two streams of research. First, we contribute to the institutional logics literature (Thornton et al., 2012) by conceptualizing the notion of dormant institutional logics and describing the process of logic re-emergence to explain the late-stage emergence of markets. We build on the observation that even the most mature and monistic fields are inherently heterogeneous in that they carry the seeds of change within themselves (Schneiberg, 2007) and ascribe this

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<sup>1</sup> Craft beer is the most commonly used term in the United States. In the Netherlands, the term “specialty beer” has always been, and still is, the most prevalent term to refer to any type of beer that is different from the mainstream Pilsner.



observation to the capacity of logics to persist in dormant form. We elaborate this ideas by showing that, as one logic becomes dominant, dominated logics do not disappear but continue to be carried by peripheral actor groups—i.e. groups of individuals with similar identities that reside in powerless positions, but that have an enduring emotional investment in the field. In the case of Dutch beer brewing, we found that during the 1850–1980 period, in which the field became increasingly monistic and centered on a profit logic, actors with identities attached to logics of conservation, aesthetics, and perfection became dominated by actors identifying with the dominant logic. When actors in the field were exposed to developments in beer brewing fields in surrounding countries, peripheral actor groups were mobilized which set in motion a discursive process that included the re-awakening, re-dressing, and re-manifestation of dormant institutional logics.

Apart from contributing to the literature on institutional logics, our study has implications for research on the problem of emergence in mature organizational fields (Padgett & Powell, 2012; Greenwood & Suddaby, 2006; Rao et al., 2003). Where researchers interested in structural explanations for field dynamics typically focus on either exogenous or endogenous factors underlying change and emergence, our findings point to the complementarity of these approaches by highlighting the interplay between infield and outfield sources in the recombinatory processes underlying market emergence in mature organizational fields. We find that the increasing dominance of one logic can make an organizational field “structurally vulnerable toward tipping” (Padgett & Powell, 2012: 26) through the accumulation of internal impetus-providing sources related to dormant alternative logics. These sources can become activated once field actors are exposed to developments in adjacent fields, making them aware of the existence of dormant logics and alternative field configurations. In the case of Dutch beer brewing, we found that the field became structurally vulnerable toward tipping with increasing dominance of a profit logic leading to increasing marginalization of actor groups and accumulation of cultural detritus. Tipping occurred when field actors were triggered by exposure to alternative types of beer from neighbouring countries (Belgium in particular) and to successful social movement activity in the U.K.. The subsequent process of collective identity work, underlying the processes of logic re-emergence and new market construction, was fueled by both the reuse of cultural detritus and the emulation of outfield exemplars.

This paper proceeds as follows. First, we discuss the key concepts incorporated in our study as well as relevant previous research. This discussion leads up to two research questions. Second, we provide a detailed summary of the longitudinal qualitative data we collected, as well as a step-by-step description of the analytical processes we followed to uncover the latent meaning structures residing in it. Third, our findings section addresses our two research questions, and generates novel propositions to inspire future research on logic re-emergence and late-stage market emergence in organizational fields. Finally, we discuss the implications of our findings for (1) the institutional logics perspective (Thornton et al., 2012), and (2) the process of emergence in organizational fields (Padgett & Powell, 2012).

## 4.2 Key Concepts and Previous Research

An organizational field can be conceived of as a community of organizational actors that are invested in a common issue (Hoffman, 1999; Scott, 1994). Prior studies have shown that changes in organizational fields generally go hand in hand with changes in institutional logics (Friedland & Alford, 1991; Thornton et al., 2012; Thornton & Ocasio, 1999). An institutional logic is typically described as a taken-for-granted belief about how a social system (e.g. an organizational field) is or should be organized.<sup>2</sup> As such, institutional logics can be regarded as “frames of reference that condition actors’ choices for sensemaking, the vocabulary they use to motivate action, and their sense of self and identity” (Thornton et al., 2012: 2). Logics diffuse and institutionalize through the collective identity work performed by field actors that make that logics become embodied (and thus observable) in applied principles, practices, and symbols (Thornton et al., 2012; Rao et al., 2003; Lok, 2010).

In the simplest form, a logic is a theory about which ends are appropriate to pursue within a social context and about which means are appropriate to achieve those ends (cf. Friedland & Alford, 1991). The “logic” thus entails the reasoning about why certain ends

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<sup>2</sup> A distinction can be made between logics operating at the societal level (Friedland & Alford, 1991) and logics operating at the field level (Thornton, Ocasio, & Lounsbury, 2012), where field level logics are typically conceived as being contextual translations of more abstract logics operating at the societal level. For example, Thornton and Ocasio (1999) describe how the rising “market logic” in U.S. higher education publishing could be linked to growing dominance of managerial capitalism in U.S. society since the 1970s in general (Thornton & Ocasio, 1999: 838).

are more appropriate than others, and why certain means are better fit to achieve those ends than others. When a logic becomes institutionalized, those bits of rationalization become taken-for-granted, leading to a decoupling of means and ends (Bromley & Powell, 2012).

Although individual and organizational actors are believed to be partially autonomous from social structure (Thornton et al., 2012: 7), they are unlikely to conceive of means-ends relationships on their own accord. Instead, society can be conceptualized as being made up of a variety of “institutional orders”—such as the market, the state, the professions, religion, and the family—that nurture specific means-end relationships in embedded actors in accordance with the central logic associated with each of them (Friedland & Alford, 1991). Although this nurturing effect of institutional orders appears to be situational to a certain degree (Glaser, Fast, & Green, 2012), actors that have been part of different social and occupational groups are likely to bring with them differing ideas about appropriate means-end relationships within social systems (e.g. Fligstein, 1985).

Initial studies adopting the institutional logics perspective showed how shifts in dominant logics led to important structural changes in fields (Haveman & Rao, 1997; Rao et al., 2003; Thornton & Ocasio, 1999). Recent work has provided a less dramatic but more complex picture of institutional logic dynamics by suggesting that organizational fields are permeated by “constellations” of (frequently more than two) alternative logics that co-exist and pose complex challenges for actors embedded in the field (Goodrick & Reay, 2011; Greenwood, Raynard, Kodeih, Micelotta, & Lounsbury, 2011). These observations are in line with theory on institutional change that suggests that fields evolve through recurrent periods of stability and instability (Zietsma & Lawrence, 2010). During periods of stability, fields are dominated by one logic and are *seemingly monistic*. During periods of instability, fields are characterized by several competing logics manifested in structural *pluralism* creating complexity for embedded actors (Greenwood et al., 2011).

New institutional theory (DiMaggio & Powell, 1991) suggests that fields move from instability to stability through processes of isomorphic adoption, which lead one type of organizational form or practice to dominate alternative forms and practices. Underlying this process of isomorphic adoption is an increased institutionalization of a dominant logic

in applied principles, practices, and symbols, and concurrent *de*institutionalization (Oliver, 1992) of alternative logics. However, processes of institutionalization and *de*institutionalization are rarely complete. Alternative field logics often continue to exist, albeit in a more dormant form (e.g. Schneiberg, 2007; van Gestel & Hillebrand, 2011) and may become manifest again at later stages (e.g. Marquis & Lounsbury, 2007). However, we know little about the mechanisms behind this process of logic re-emergence. More specifically, it is unclear how and under what conditions dormant logics re-emerge.

To address this challenge, we examine two research questions in this study: (1) Where do dormant logics reside? and (2) How do dormant institutional logics re-emerge during the rise of new markets? We will answer these questions by making six core arguments supported by our findings on the rise of the craft brewery market in the Netherlands. (I) Dormant logics are attached to the identities of peripheral actor groups that were pushed to the periphery of the field in favor of the actor groups embodying the dominant logic. (II) Dormant logics do not disappear quickly, but are likely to be carried on by emotionally invested actor groups facilitated by the presence of cultural detritus—i.e. symbolic remnants of ancestral organizations. (III) Together, emotionally invested peripheral actor groups with alternative identities and cultural detritus provide internal impetus for new market construction (IV) Dormant logics may be re-awakened by the exposure to the existence of alternative organizations and products in related fields that function as sources of outfield impetus for new market construction. (V) When such exposure is sufficiently widespread, infield cultural detritus can be used in combination with external exemplars to re-dress dormant logics and mobilize peripheral actors through processes of collective identity work. (VI) Finally, when collective identity work leads to successful mobilization, dormant logics can become re-manifested in new organizations and products when actors are able to overcome entrepreneurial challenges with available in- and outfield exemplars, and in- and outfield detritus, ultimately contributing to the successful emergence of a new market.

## 4.3 Methods

### 4.3.1 *Research Context*

To address our research questions, we draw on a study of the Dutch beer brewing industry. This setting is likely to produce deep insights into the processes that we are interested in for three reasons. First, the Dutch beer brewing industry is one of the oldest in the world, with its origins dating back to the early Middle Ages. Organized beer brewing emerged in Carolingian monasteries in the 8<sup>th</sup> and 9<sup>th</sup> century (Hornsey, 2003; Unger, 2001, 2004) and developed into a commercial activity with growing urbanization starting as early as the 13<sup>th</sup> century (Unger, 2001). Over its history, the industry has gone through multiple waves of prosperity and decline, with as the most remarkable period perhaps what has been referred to as the “Golden Age of Dutch Beer Brewing” (1450-1650) during which some towns counted over a 100 beer breweries that exported a large share of their production to international markets (Unger, 2001). As such, Dutch beer brewing is a clear example of a very mature field in terms of its age and historical population density, and thus likely to be characterized by a significant presence of detritus.

Second, the industry experienced an unprecedented degree of concentration during the 20<sup>th</sup> century—where the number of independent producers was quickly reduced from about 500 in 1900 (Simons, 1992; Unger, 2001) to about 100 in 1940 (Simons, 1992), and finally, to 19 brewing locations and 13 independent producers in 1980. The concentration wave went hand in hand with significant homogenization—characterized by the fact that by 1980 brewers almost exclusively produced Pilsner beer.<sup>3</sup> What is also remarkable is that there was a complete absence of new brewery foundings since the end of WWII (1945) up until 1980. As such, by 1980, Dutch beer brewing could not only be considered to be a mature field, but also an extremely homogenous field of which the structural features suggested significant dominance by a single logic.

Third, since 1980 the industry has experienced an upsurge in the number of producers—with 203 foundings occurring between 1980 and 2012. Accounting for

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<sup>3</sup> Pilsner is a type of lager beer that was originally brewed by breweries in Bohemia (Czech Republic) and that spread through other countries in the world after adopted by breweries in German Bavaria. Its name is derived from the town of Plzen in the Czech Republic. Lagers differ from the more traditional “ales” in the distinct fermentation process, which occurs at lower temperatures, and the distinct taste which is lighter and milder compared to ales.

organizational failures, this led to an increase in the population of breweries to 159 by 2012, as well as a significant increase in the variety of products produced by these producers.<sup>4</sup> The increased variety was mainly associated with the reintroduction of ale beer produced on Dutch soil. Ale is a type of beer produced according to a different production method than “lager” beer (of which Pilsner is the best-known type), the main technical difference being that the fermentation process of ales occurs at ambient temperatures rather than in a controlled cooled environment. As such, before the invention of industrial refrigeration, all beer was what we now consider ale. The technological and historical differences between ales and lagers have also led to a greater variety in product characteristics between types of ale beer than between types of lager beer. The craft beer market in the Netherlands grew substantially after the introduction of foreign ale beer in the late 1960s and early 1970s and the emergence of Dutch “speciaalbier” breweries from the 1980s onward. As such, when we started the interview-based part of our data collection efforts in 2004, the field was going through a substantial change that involved the re-emergence of previously abandoned practices, possibly indicating the re-emergence of dormant institutional logics.

In sum, from the outset the Dutch beer brewing field appeared to be an extreme case of a mature field that had become monistic but that subsequently experienced increasing pluralism, representing a suitable setting for studying emergence processes in mature fields. To answer the two research questions, we collected qualitative data and used a variety of qualitative research techniques. We deemed a qualitative research design most appropriate for our study, since we were in the first place interested in the *process* through which field change occurred and since we focused our efforts on a single case (the transformation of the Dutch beer brewing field).

### 4.3.2 Data Collection

We collected data from a wide variety of sources (see Table 4.1). First, in order to understand the historical evolution of the field, we collected a wide range of published sources on the history of beer brewing in the Netherlands and other countries (e.g. Jansen,

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<sup>4</sup> These figures include the founding of 66 contract brewers—breweries that do not have their own production facility, but rent production capacity elsewhere to produce beer according to their own recipes. By 2011 there were at least 92 beer breweries with unique production facilities.

1987; Van Vlisteren & Kistemaker, 1994; Hornsey, 2003; Poelmans & Swinnen, 2011; Unger, 2001). Studying these sources helped to identify different institutional logics that influenced the development of the field over time. Second, in order to examine recent producer dynamics, we conducted 101 semi-structured interviews, with 88 different individuals representing a sample of 74 different Dutch beer breweries that were active in the period between 1981-2011. 69 of these breweries were recently founded (i.e. between 1981 and 2011), while the other five were incumbent breweries that had their origins in the 19<sup>th</sup> century. These interviews took place in four batches, starting in 2004 and ending in 2011. In addition, we used an existing thesis that included transcripts of interviews conducted with 7 newly founded beer breweries in 1986 (De Winter, 1986). Third, in order to investigate recent audience dynamics, we interviewed two founders of the Dutch beer consumer association *PINT* (“Promotion INformation Traditional beer”), which had been advocating change since 1981, as well as a founder of a pioneering beer pub which was one of the first Dutch pubs to offer craft beers. We supplemented this interview material with 187 publications of the bi-monthly magazine “*PINT Nieuws*”, published by the beer consumer association and covering the 1980-2011 period. Analyzing *PINT Nieuws* helped to establish an accurate industry record, as the publication comprehensively documents brewery foundings, failures, and new product launches. We triangulated our data with secondary sources, such as the websites of other audience groups as well as mainstream media reports.

### **4.3.3 Data Analysis**

Our data analysis process involved three main stages. First, as a starting point for our study, we coded the interviews with brewery representatives to identify the different logics that manifested themselves in the beer brewing field in the recent decades. In the second stage, we created a narrative of the field’s historical development, thereby focusing on identifying evidence of the historic prevalence of the different logics identified at stage 1. In stage 3, we addressed our two research questions: (1) Where do dormant logics reside? And (2) How do dormant institutional logics re-emerge during the rise of new markets? The analysis stages are described in more detail below and also appear in Table 4.1.

**Table 4.1 Chronology of Events in Field Evolution and Data Sources**

Year	Data Analysis Stage	Structural Changes	Key Events	Data Sources	
800-1200	<div style="border: 1px solid black; padding: 5px;">                     Stage 1: Identifying different field logics                 </div> <div style="border: 1px solid black; padding: 5px; margin-top: 5px;">                     Stage 2: Creating a narrative of the historical evolution of the field                 </div> <div style="border: 1px solid black; padding: 5px; margin-top: 5px;">                     Stage 3: Identifying types of work performed by relevant actors and agents                 </div>	Organized brewing develops in Carolingian monasteries.		<i>Sources on beer brewing history:</i> 15 books, 4 dissertations/theses, 2 academic articles, 4 websites	
1200-1400		Commercial beer breweries emerge in towns alongside growing urbanization.	1250-1350: Emergence and proliferation of German hop beer.		
1450-1650		Golden age of Dutch beer brewing. Certain towns have more than 100 beer breweries.			
1650-1850		Decline in number of beer breweries.	1650-1750: Emergence and proliferation of colonial drinks (coffee, tea and cocoa).		
1850-1900		Emergence of modern, mass-market breweries.	1850-1900: Introduction of technological innovations, such as electric refrigeration, steam engine, biochemistry.		
1900-1980		Extreme market concentration. Field reduces in size from about 500 breweries to 13 breweries. Emergence of alternative beer pubs and beer importers specializing in Belgian ales.	1939: Founding of CBK ("Central Brewery Office") 1974-1978: Founding of four pioneering alternative beer pubs (Golleem, Jan Primus, Locus Publicus, 't Pumpke) and appearance of beer importers specializing in (predominantly) Belgian ales. 1978: First Bokbierfestival in beer pub Golleem. 1981: Founding of PINT, beer consumer association.		<i>Interviews with early enthusiasts:</i> 2 founders of PINT, 1 pioneering beer pub owner
1980-1990			1981: Founding of first new Dutch beer brewery since WOII, De Arcense Stoombierbrouwerij. Re-introduction of ale beer brewed on Dutch soil. 1983: Founding of BAV, beer item collectors association.		<i>Archival material:</i> 193 issues of PINT Nieuws
1990-2000		Field grows in size to 159 beer breweries by the end of 2012. The majority of these breweries produce ale beer exclusively.	1999: Bavaria takes over daily operations of Trappist brewery De Koningshoeven.		
2000-2012			2003: Founding of KBC ("Small Brewery Collective").		<i>Interviews with brewery/founders:</i> 18 breweries from first cohort 1981-1991 (of which seven from secondary source, conducted in 1986) 27 breweries from second cohort 1992-2002 31 breweries from third cohort 2003-2012 <i>Interviews with reps of incumbent breweries:</i> 7 interviews at 5 breweries

\*The placement of the data sources and analysis stages reflects the time period to which the data pertains predominantly, not the time period in which the data was collected or the analysis took place. Data collection and analysis took place from 2004 until 2011.



**Stage 1: Identifying different field logics.** For this analysis stage we predominantly relied on grounded theory techniques following the “Gioia template” (Corbin & Strauss, 1990; Gioia, Corley, & Hamilton, 2012; Langley & Abdallah, 2011) for the coding of the transcripts from interviews with brewery representatives. First, the interview transcripts were coded openly for any text that was related to the organizational identity of the brewery—both in terms of content (i.e. what the identity was) as well as in terms of process (i.e. how the identity was formed).<sup>1</sup> Next, we focused on interpreting the justifications provided by interviewees for identity elements of their brewery. During this step, we found many normative statements prescribing what a brewery ‘should’ look like or what the beer brewing field ‘should’ be like. These statements provided useful insights into the goals and interpretive schemes (Greenwood & Hinings, 1988) according to which interviewees had designed and managed their breweries, reflecting different logics. By clustering coded statements with similar meaning into higher-order categories, we eventually arrived at four different field logics that are presented below in Table 4.2.

**Stage 2: Creating a narrative of the evolution of the field.** During the next analysis stage, we examined the evolution of the Dutch beer brewing field from its inception until today, based on the collected books and articles that dealt with the field’s history. Apart from describing important events in the history of the field, we focused our efforts on examining to what extent the different logics identified in the previous step were apparent in the various historical descriptions. This effort resulted in a condensed 6-page narrative that we had examined by a historian with considerable expertise related to the history of Dutch beer brewing. This narrative was used to further ground the logic typology developed at stage 1 and to identify and describe the carriers of dormant logics as displayed in Table 4.4.

**Stage 3: Identifying actions performed by relevant actors.** In the final analysis stage, we made use of all our data to identify three different processual elements of logic re-emergence: (1) different stages in the recent evolution of the field, (2) different field organizations and individuals that played a relevant role, and (3) different actions performed by these actors that could be related to re-emerging logics.

In our coding for the types of actions actors performed, we paid particular attention

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<sup>1</sup> We focused on organizational identity as identity is closely related to the concept of logic and can be regarded as the embodiment of a (variety of) logic(s) in an organization (see Lok, 2010).

to three aspects. First, we used (Battilana & D'Aunno, 2009) table with dimensions of agency and forms of institutional work to categorize the different types of actions that actors performed. Second, we examined from where actors derived impetus to perform actions at certain stages. Here, we paid attention to both motivational impetus as well as impetus derived from access to capital. This led to the identification of two main sources of impetus: detritus and exemplars. Third, we distinguished between internal and external sources of impetus. Internal sources were infield detritus and exemplars residing in the Dutch beer brewing field that provided motivation or capital, while external sources were outfield detritus and exemplars that resided in other fields.

#### 4.4 Four Ideal-Typical Logics of Beer Brewing in the Netherlands

Our efforts during the first stage of analysis led to the identification of four ideal-typical logics capturing the variety in embodied belief systems present in the Dutch beer brewing field around the time of observation (2004-2011). In Table 4.2, the characteristics of the four different logics are compared in terms of the “legitimated goals” associated with the logic and the “embodying practices”. Here, we follow the conceptualization of logics as “means-end couplets” (Friedland & Alford, 1991: 251; Friedland, 2009: 906). The legitimated goal associated with a logic corresponds with a particular vision on what the purpose of a beer brewery is and how beer brewing should be organized. The embodying practices are the typical means by which these goals are achieved.

Table 4.3 shows exemplary quotes from founders (and other representatives) of current beer breweries that reflect the four different logics described in Table 4.2. In our coding we distinguished between different types of goals related to different aspects of the organization.<sup>2</sup> Many statements pertained to the production process, which was a defining feature on which breweries often distinguished themselves from others. Apart from statements about the organizational aims for the production process, we also found statements about goals for consumption, goals for insiders, and goals for the community

<sup>2</sup> Although we also coded for text about particular *practices* that could be considered to be the embodiment of a particular logic, we do not include practice categories in Table 3. Since the meaning of practices cannot be objectively established, we ended up refraining from using factual statements about practices as evidence for logic embodiment unless they were accompanied with clear justifications for *why* certain practices were adopted. However, in the selected quotes related to organizational goals there is also frequently discussion about the means (i.e. practices) that are considered appropriate to achieve said goals.

that reflected different logics. Overall, the table shows the variety in ways of thinking about beer that existed at the end of our study window.

Table 4.2 Ideal-Typical Logics in Dutch Beer Brewing and Consumption

<u>Elements</u>	<u>Logics</u>	<u>Profit</u>	<u>Aesthetics</u>
<i>Legitimated Goals (Ends)</i>			
<b>Producer Goal</b>	Sales driven. Profit though growth and efficiency. Producing and selling beers as efficiently as possible on Boozing	<-->	Product driven. Producing variety of beers with unique taste and educating audience to appreciate product.
<b>Audience Goal</b>	Profit, Growth, Market, Large Scale	<-->	Tasting
<b>Key Words</b>	Large-scale and efficient. Quality is consistency across time and space.	<-->	Appreciation, Variation, Experimentation, Enjoyment, Innovation
<b>Production Method</b>	Bulk, cost-efficient, large suppliers.	<-->	Small-scale and maximizing taste. Quality is unique taste.
<b>Ingredients</b>	Modern with accessible taste (e.g. Pilsner).	<-->	Unique and high-quality.
<b>Beer Styles</b>	National and global, at grocery stores as well as at standard pubs.	<-->	Rare with complex taste (e.g. Black India Pale Ale).
<b>Distribution</b>	Marketeer / Salesman	<-->	Dispersed, at specialist retailer or pub.
<b>Key Figure</b>	Heineken Brouwerijen, Grolsche Bierbrouwerij	<-->	Beer sommelier
<b>Dutch Exemplars</b>		<-->	Stichting Noordhollandse Alternatieve Bierbrouwers (SNAB), Brouwerij De Molen
<i>Embodying Practices (Means)</i>			
<b>Key Figure</b>			
<b>Dutch Exemplars</b>			
<u>Elements</u>	<u>Logics</u>	<u>Perfection</u>	<u>Conservation</u>
<i>Legitimated Goals (Ends)</i>			
<b>Producer Goal</b>	Production driven. Producing highest quality of beer through perfect control over production process.	<-->	Story driven. Conserving/resurrecting local brewing traditions and legacies. Brewing beer the way it used to
<b>Audience Goal</b>	Evaluating	<-->	Reliving
<b>Key Words</b>	Modern, Control	<-->	History, Storytelling, Remembering, Nostalgia, Regionalism
<b>Production Method</b>	Modern technology and complete control. Quality is technological perfection in terms of measurable aspects.	<-->	Traditional brewing techniques. Quality is in the story around the product.
<b>Ingredients</b>	Yeast as important ingredient. Own cultivation.	<-->	Traditional ingredients. No chemicals or additives.
<b>Beer Styles</b>	Self-developed recipes.	<-->	Traditional beer styles and recipes (e.g. Koyt beer)
<b>Distribution</b>	Through wholesaler.	<-->	Own distribution management, at local pubs and stores.
<b>Key Figure</b>	Food Science Technician	<-->	Historian
<b>Dutch Exemplars</b>	Brouwerij Sint Christoffel, Herbergbrouwerij Klokbier	<-->	Museumbrouwerij De Roos, Oirschotse Bierbrouwerij

**Table 4.3 Data Supporting the Different Ends Associated with Four Ideal-Typical Logics of Dutch Beer Brewing**

Theme	Exemplary Quotes
<p><b>Goals for Production:</b></p> <ul style="list-style-type: none"> <li>- Product should be easy to sell.</li> <li>- Production process should be efficient.</li> </ul>	<p style="text-align: center;"><b>Profit</b></p> <p><i>"I'm not a beer drinker. We are really trying to fathom here what the people want. At some point we did have a bock beer which was not filtered, so that was a cloudy bock. The amateur brewers said it was much better; it had more flavor. Whatever, but I look at the sales aspect. What a person sees... they'll say: it looks like ditch water. So I said, just go and filter it... ..I look only at commerce."</i> (Peter Eizendoorn, Owner, Stoombierbrouwerij Stadskaasteel Oudaen)</p> <p><i>"We believe that you should listen very carefully to what the consumer wants. So that is what we have done... ..We have done market research among distributors and they all said: dude, if you do something, it has to be modern, it has to have a mild flavor and it should be less bitter."</i> (Frank Hendriks, Founder, Twentsche Bierbrouwerij)</p> <p><i>"Craftsmanship, that is usually a story of clumsiness. If you indeed want a place like that to pay off, then you just need to have good material. In my case, the idea was that one man could do the job and that it would be automated to such a degree that you only had to keep an eye on it while providing guided tours to people."</i> (Patrick van Dam, Founder, Herbergbrouwerij Klokkier)</p> <p><i>"I do not know a damn thing about brewing beer. I do know about beer tasting and putting a brand in the market. So over the past five years, I have invested in knowledge related to new machinery and equipment. But at some point, you have acquired that knowledge and then you can say: what do we need now. Then it is easier to mechanize than to take on another employee because a machine is never sick."</i> (Jaap van der Weide, Owner, Texelse Bierbrouwerij; Founder, Groningse Stadsbrouwerij)</p>
<p><b>Goals for Consumption:</b></p> <ul style="list-style-type: none"> <li>- Consumption is about drinking as much as possible in a responsible manner.</li> </ul>	<p><i>"We do want to sell more beer, but there is simply less beer being consumed. So you go and think of something else as a company. Do we focus our efforts on the Beer-Tender--the device you can buy at Blokker? But we do not want people to get drunk. That is another problem we are currently facing."</i> (Mr X., Manager, Heineken)</p>
<p><b>Goals for Insiders:</b></p> <ul style="list-style-type: none"> <li>- Organizational projects should generate profit.</li> <li>- Members should find activities that maximize profit for organization.</li> </ul>	<p><i>"The Heineken brand is sacred. But would we maybe offer another segmented drink? Yes... We are constantly thinking, innovating in many areas. But we do need to make money here. Suppose that tomorrow we stop earning money on Heineken beer, then we would close it. It is of course the main brand, but still... ..We also owned a brewery, De Ridder in Maastricht, for example, which was a local brand, that we have since closed as we did not earn any money on it anymore."</i> (Mr. X, Manager, Heineken)</p>
<p><b>Goals for Community:</b></p> <ul style="list-style-type: none"> <li>- Organization should provide returns for community.</li> </ul>	<p><i>"What we do here is the principle of triple P: People, Planet, Profit. People, those are your own people but also the people around you that you feel responsible for. Through this process we can be of added value for five farmers in the area, because we pay a better price for grain than they can get on the world market."</i> (John Halmans, Owner, Gulpener Bierbrouwerij)</p>

Table 4.3 Data Supporting the Different Ends Associated with Four Ideal-Typical Logics of Dutch Beer Brewing (CONTINUED)

Theme	Exemplary Quotes
	<b>Aesthetics</b>
<u>Goals for Production:</u>	<i>"With Heineken you know what you get and that is exactly what I do not want. I do not want to have a uniform product." (Menno Olivier, Founder, Brouwerij De Molen)</i>
- Product should be unique.	<i>"If your hobby is brewing, you want to brew as many different kinds of beer as possible. That is precisely the challenge of the hobby and therefore we have 11 [kinds of beer]. If we had been a commercial brewery with the idea of making money, then we would have never had more than two. What we want is to reach as many people as possible with different tastes, because that is our hobby." (Toon van der Heijden, Founder, Brouwerij Sint-Servattimus)</i>
- Product line should be varied.	<i>"My intention is [to make a beer of which] I say: guys, let's go, I tap my glass full and after an hour I still have beer in my glass. So that you just enjoy every sip." (Sjaak van der Lee, Founder, Brouwerij De Lepelaer)</i>
<u>Goals for Consumption:</u>	<i>"Our goal is really [to ensure] that people can enjoy and can become acquainted with craft beers in peace." (Carina Kelder, Founder, Mommeriete Brouwerij)</i>
- Consumption should be about tasting.	<i>"The [brewing] is just pure fun. If you go to work reluctantly you cannot make good beer. I like to say: a brewer is a good brewer when he takes pleasure in his life. He should also be a Burgundian type. If I had to do things against my will, I would not be able to stand behind them." (Sjef Groothuis, Founder, Bierbrouwerij De 3 Horne)</i>
- Consumption should be about enjoying.	<i>"I just think the strength of my brewery is that I determine the taste myself... ..Big brewers have to sell beer at some point and preferably as much as possible. So they will make something that consumers like and I'm just making something that I like." (Sjaak van der Lee, Founder, Brouwerij De Lepelaer)</i>
<u>Goals for Insiders:</u>	<i>"We believe that in the Netherlands the beer is becoming increasingly sweet--the selection is becoming increasingly plain. And there is a real need for different kinds of beers. (Ruud van Moorst, Founder, Bierbrouwerij De Eem)</i>
- Organization should be about having fun.	<i>"For the Pilsner brewers, Pilsner factories you could almost say, it is about huge amounts--volume is key there. What I regret about it is that they have relatively little attention for other beers than Pilsner. While I personally say: you have some 80 different types of beer. There is so much beer to choose from, why then always focus on Pilsner?.....That is the reason why I picked the name De Wijde Wereld [The Wide World]--as in the 'wide world' of craft beers that have yet to be discovered. (Jan-Willem Fokkink, Founder, De Wijde</i>
- Organization should be vehicle to extend founder's hobby.	<i>"We try to fill the blank spots on the Dutch beer card.... ..We focus on the filling of gaps, not so much in terms of customers, but in terms of beer types." (Peter Kost, Founder, SNAB Stichting Noordhollandse Alternatieve Bierbrouwers)</i>
<u>Goals for Community:</u>	
- Field should offer more product diversity.	
- Consumers should understand how to enjoy beer.	

**Table 4.3 Data Supporting the Different Ends Associated with Four Ideal-Typical Logics of Dutch Beer Brewing (CONTINUED)**

Theme	Exemplary Quotes
<p><u>Goals for Production:</u></p> <ul style="list-style-type: none"> <li>- Product should have highest possible technical quality.</li> <li>- All facets of production process should be under complete control.</li> </ul>	<p style="text-align: center;"><b>Perfection</b></p> <p><i>"An important development for me was the bit of automation that I carried out. Things like connecting pumps to the computer and valves that have been replaced by electronic valves that can be opened and closed by the computer. That everything should be artisanal and a bit primitive is an image I do not want to have. There is nothing artisanal about it. You are engaged in an industrial process. An industrial process that can only be 100% good if it is automated, simple as that."</i> (Anton Schults, Founder, De Haagse Bierbrouwerij)</p> <p><i>"I have always been bothered by the tension between the false romanticism that beer lovers like to hear and the ordinary reality of beer brewing. For example, people pretend as if beer brewing is very artisanal and they make reference to the past, but that does not make any sense. All beers that were brewed over 100 years ago are disgusting....Beer brewing is a craft. You write your own recipes. There is no such thing as old recipes. I hear that sometimes, but that's drivel I want to get rid of....I, myself, have built a modern plant and am therefore at the forefront in terms of technology. I try to have every technique in house as long as I can afford it."</i> (Herm Hegger, Founder, Stadsbrouwerij De Hemel)</p> <p><i>and not product. And to beer the concept of time is money applies, so mainly fermentation and lager time is money... ..So the big breweries are going to ferment and lager in a strained manner. In large breweries it is therefore always a great compromise between time and quality. And yes, I just take plenty of time to make sure everything, ferments and matures well... ..It is also true that large breweries save on everything, so also on raw materials.... ..And ultimately you are just guzzling carbonated tap water. That is truly the exact opposite of how I think beer should be made. At my brewery the original wort content is still 12%." (Patrick van Dam, Founder, Herbergbrouwerij Klokkier)</i></p>
<p><u>Goals for Consumption:</u></p> <ul style="list-style-type: none"> <li>- Consumption should be about understanding technical product attributes.</li> </ul>	<p><i>"During tours I mainly try to convey, without much value judgment, why beer tastes the way it does. Why is dark beer dark, and why is light beer light? Why do you need to use herbs or special yeast types for wheat beer and not for others? I hope that customers will become more critical as a result. That they are not influenced by Bavaria's drivel about that spring water, that they just know that technically-speaking it is nonsense."</i> (Herm Hegger, Founder, Stadsbrouwerij De Hemel)</p>
<p><u>Goals for Insiders:</u></p> <ul style="list-style-type: none"> <li>- Members should minimize mistakes and take pride in the quality of the product.</li> </ul>	<p><i>"For us it is important that employees know that they make the best bottom-fermenting beer in the world and that therefore everything always needs to be impeccable. The bottles, the brackets, the rubbers--qualitatively it just has to be the top. Our brew master is a microbiologist, so he also knows what is happening in the brewing process. In this regard, we have an edge. Thus, technically speaking there is very little that can go wrong with our beer."</i> (Patrick Gelauf, Current Owner, Sint Christoffel Bier)</p>
<p><u>Goals for Community:</u></p> <ul style="list-style-type: none"> <li>- Producing highest possible quality collectively.</li> </ul>	<p><i>"In the early days of the small breweries, we founded a club of about 12 men, all educated people. It was actually a kind of study club. Six Belgian brewers, six Dutch brewers and we came together to learn from each other. It was very practical, varying from yeast cultures to lectures by experts in a particular area and the exchange of cleaning systems. And also, really, the sharing of problems. For example, someone said: My yeast stops at 70%, but I want it to go to 80%, what could it be?" (Herm Hegger, Founder, Brouwerij Raaf)</i></p>

Table 4.3 Data Supporting the Different Ends Associated with Four Ideal-Typical Logics of Dutch Beer Brewing (CONTINUED)

Theme	Exemplary Quotes
<p><b>Goals for Production</b></p> <ul style="list-style-type: none"> <li>- Product should be made according to traditional techniques.</li> </ul>	<p style="text-align: center;"><b>Conservation</b></p> <p><i>"Our production process is very artisanal, not everything controlled by a computer, but made by hand." (Peter Herpetz, Founder, Brouwers aan de Rijn)</i></p> <p><i>"We also deliberately chose to keep certain things truly manual. For example, we deliberately chose to work with an outdated, manual bottling machine." (Arno Kooij, Founder, Brouwerij De Prael)</i></p> <p><i>"The brewing of my beer is the most important aspect for me. Hygiene is essential, but it is actually beer as it was made in an earlier time, without any trickery. Just simple and straightforward." (Gerard De Kroon, Founder, Brouwerij Oirschots Bier)</i></p> <p><i>"We are not technical brewers. We brew with our heart. The recipes are developed on the basis of feeling and taste. And the way we brew is a bit.... I wouldn't say sloppy, but to give an example: we do not weigh our hops, we just throw in a couple of handfuls of hops. A lot of other breweries are trying to gauge every quantity exactly with digital measuring equipment." (Arno Kooij, Founder, Brouwerij De Prael)</i></p>
<p><b>Goals for Consumption</b></p> <ul style="list-style-type: none"> <li>- Consumption should be about cultural experience.</li> </ul>	<p><i>"It is not just about selling beer, it is also about selling an experience. What could be nicer than showing people that you are brewing beer yourself?" (Constant Keinemans, Founder, Graaf van Heumen)</i></p> <p><i>"People come here for a tour and a tasting. And we do that in the vaulted cellar, which is an authentic cellar. The building dates back to at least 1514 and it used to house a tavern and a brewery. That's quite nice, so we start with a little bit of history and talk about when people started brewing beer. So that is the story of the Mesopotamians, and then we continue on to the Middle Ages. (Gerrit Wolf, Founder, Hanzestadsbrouwerij)</i></p>
<p><b>Goals for Insiders:</b></p> <ul style="list-style-type: none"> <li>- The organization is vehicle to conserve historical practices and traditions.</li> </ul>	<p><i>"Our main objective remains the preservation of the monument and museum. It is the entire brewery, how it used to be. We deliberately chose the name museum brewery and not brewery museum to indicate that the brewery is the museum.... We are actually the only museum brewery in existence in the Netherlands, so both the building and inventory are monuments." (Tejo Verhoeven &amp; Joop van den Hout, Board Members, Foundation Museumbrouwerij De Roos)</i></p>
<p><b>Goals for Community:</b></p> <ul style="list-style-type: none"> <li>- Local community should remember and celebrate local history.</li> </ul>	<p><i>"Our goal is really to bring back a piece of culture.... Our location, of course, has a certain appearance: copper kettles, wooden gift packaging on which we press a fire stamp ourselves, wooden returnable crates that the carpenter makes, and the beer mash also goes to the cows." (Carina Kelder, Founder, Mommeriete Brouwerij)</i></p> <p><i>"We do it for ourselves, of course, but we also do it for the community. In the past, this used to be the municipality of Gramsbergen. We have the crest of Gramsbergen in our logo. The community here has its brewery back, making the culture richer, which can only grow." (Carina Kelder, Founder, Mommeriete Brouwerij)</i></p>



#### **4.4.1 *Historical evidence of the four logics of beer brewing in the Netherlands.***

Although we developed the typology of logics through the study of the identities of current producers, our data suggests that the field had always been characterized by the long-term co-existence of the four different logics. Evidence for the historical influence of multiple logics was most apparent in the description of structural changes in the field and the related role of broader sociological forces that permeated the Netherlands, such as the Carolingian Renaissance (750-950), the Urban Revolution (1050-1300), or the Industrial Revolution (1850-1890). In relation to these different forces that structured the field, competing ways of thinking about beer brewing developed that prescribed differing goals for the brewery owner.

For example, whereas before the Middle Ages beer brewing in the Netherlands primarily was a household activity, the introduction of organized beer brewing by Carolingian monasteries led to improved appreciation of beer and increased knowledge about beer brewing. The Carolingian monasteries were the first to introduce techniques to brew beer at a large scale with more advanced equipment (Hornsey, 2003; Unger, 2004), thus increasing the control over the production process in ways that are similar to those used by modern breweries. Additionally, the association of beer with the “Carolingian Renaissance”, which is regarded by some as the most significant period of intellectual and cultural revival in European history (Trompf, 1973), appears to have brought more appreciation for the aesthetic elements of beer following the earlier domination of the Roman Empire, during which beer was considered a “barbarian drink” as the Romans preferred the consumption of wine (Nelson, 2005).

Exponentially increasing urbanization in the Netherlands during the late Middle Ages led to growing concentration of the demand for beer and the emergence of commercial breweries. In addition, increasing trade through networks like the “Hanseatic League”—an economic alliance among Northern European towns—provided opportunities for export that also led to a significant increase in the international distribution potential for beer (Alberts, 1969; Ebbing: 1994; Van Uytven, 2007). This gradually led to increased competition and likely made sales prices and production costs a more salient issue for breweries.

As the field matured, conservation of practices became an important aspect of beer

brewing. Since beer breweries were traditionally set-up as family businesses that were passed on across generations (e.g. Philips, 1999: 44-87), within the field there appeared to be strong inertial forces working against change due to individuals attempting to conserve the traditions of their family businesses. Similarly, since beer breweries were originally businesses with a local character, they had strong ties with local communities, which encouraged continued alignment with the community's identity to preserve organizational integrity and promoted conservation thinking among beer brewery owners. As such, conservation of tradition became an important element of the business.

Over the field's history, several technological innovations led to increased control over the brewing process. In the 14<sup>th</sup> century, the discovery of hops as a preservative agent improved brewers' ability to protect beer against decay during storage and transport. Furthermore, in the 19<sup>th</sup> century the Industrial Revolution produced several technological innovations, such as industrial cooling, that increased brewers' control over the brewing process. Additionally, the emergence of disciplines like biochemistry increased technical competence amongst producers. Unger (2001: 357) describes how beer brewing had evolved into science-driven profession: "The mechanization of brewing had made the brew master by the 1870s into something of an engineer but the successes with yeasts in the laboratory turned him into a biologist and a chemist too."

This description of important developments during the historical evolution of beer brewing in the Netherlands suggest that the field was permeated by a constellation of multiple logics for a prolonged period of time. However, during the 20<sup>th</sup> century, the profit logic came to dominate the other logics of aesthetics, conservation, and perfection, pushing them into dormancy. Next, we describe in more detail how these logics became dormant and where they resided, after which we address our two research questions.

#### ***4.4.2 Dormant Logics and their Remnants in Dutch Beer Brewing***

After the industrial revolution and the rise of corporate capitalism in beer brewing in the Netherlands, the field began to evolve along a monism-inducing trajectory. Industrial breweries that were predominantly driven by profit generation came to dominate the field, supplanting family breweries that were predominantly driven by conservation. Working in conjunction with increasingly tougher competition and the economic outfall

surrounding the two World Wars, the expansionist practices of industrial breweries led to a substantial shake-out of breweries and a drastic decrease in product variety during the first three quarters of the 20<sup>th</sup> century. By 1980, the Dutch beer brewing field was dominated by a handful of internationally operating breweries that had significant control over the supply chain and that had made Pilsner beer their signature product. At this stage, profit-thinking was the dominant paradigm in beer brewing, significantly overshadowing the aesthetics, conservation, and perfection logics. However, these logics did not disappear but remained attached to two types of carriers. First, alternative logics continued to guide the perception and behavior of actor groups that, once at the center of the field, had been pushed to peripheral power positions due to the shift towards corporate capitalism and accompanying profit-thinking. Second, alternative logics were memorized through the exposure to cultural detritus left behind by breweries that did not survive the shake-out. Although at the surface the field of Dutch beer brewing appeared to be extremely homogenous in 1980, a closer look would reveal seeds of alternative logics that were dormant and thus hidden from the general public. Table 4.4 provides an overview of the carriers of the different dormant logics and examples of how they had become dormant in the decades leading up to 1980.

Based on these observations, we formulate a first proposition that provides an answer to our first research question:

***Proposition 1:*** *An organizational field contains dormant logics when (a) the field becomes increasingly organized around a single dominant logic, while (b) the elements of alternative logics continue to be carried by (I) peripheral actors and are conserved in (II) cultural detritus.*

Table 4.4 Illustrations of Carriers of Dormant Logics

Dormant Logic	Peripheral Actors	Carriers	Cultural Detritus
<i>Perfection</i>	<u>Brew Masters</u> : Brew masters gradually lost power over the beer production process.	<u>Material Remnants</u> : Large breweries abandoned modern production equipment that was no longer deemed efficient.	
<i>Illustration</i>	At the end of the 19 <sup>th</sup> century, a few wealthy families bought breweries that they then modernized. These breweries, of which Heineken is an example, slowly began to dominate the beer landscape. The families behind these breweries often had absolutely no knowledge of the beer brewing process. The traditional breweries, on the other hand, which they slowly drove out of business, were run by brewing families. Freddy Heineken said of his grandfather Gerard Adriaan Heineken, founder of Heineken: “My grandfather knew nothing about beer. We are absolutely not a brewing family. My grandfather was a young guy that wanted to make better beer and earn good money. An occupational brewing family is something you would typically come across in Brabant.” (Lintsen, 1992; Schutten, 2007:19)	In 2003, Heineken takes over the Austrian BBAG, the parent company of the well-known Austrian brewery <i>Brau Union</i> . After Heineken’s take over, parts of <i>Brau Union</i> ’s technical brewing material were discarded. This included a very advanced, small installation that was used in <i>Brau Union</i> ’s laboratory to develop new beer recipes and to test them on a small scale. This installation appeared again in 2008 in Hengelo where it was being used by the <i>Twentse Beerbrouwerij</i> . (NRC Handelsblad, May 2, 2003; Frank Hendriks, Founder, <i>Twentische Bierbrouwerij</i> )	
<i>Conservation</i>	<u>Traditional Brewing Families</u> : Family breweries dissolved. In surviving breweries, families gradually lost power.	<u>Symbolic Remnants</u> : The dissolution of breweries went hand in hand with the loss of local brewing legacies and associated traditional product names and production techniques.	
<i>Illustration</i>	Traditionally, Maastricht had a large number of family breweries that were known for brewing “ <i>Mestreechs Agif</i> ”, a local specialty. By the end of the 20 <sup>th</sup> century, all of the breweries in Maastricht had disappeared. Throughout its history, a prominent brewing family, the Marres family, had owned 13 different breweries in Maastricht. The last Marres brewery stopped production in 1959 after which point Brand brewery took over its patronage. (Philips, 1999: 63-66)	Breda has a long history of beer brewing. The city had about 20 breweries as early as the Middle Ages. A well-known brewery, <i>De Drie Hoefijzers</i> , emerged from a brewery that was established in 1538. In the end, <i>De Drie Hoefijzers</i> was the last remaining beer brewery in Breda. Up until 1960, the brewery brewed the traditional “ <i>Drie Hoefijzers</i> ” beer. After this, the brand name disappeared, the brewery was taken over by Allied Breweries – which in turn was taken over by AB-Inbev – and the brewery was finally closed in 2004. (Mijnssen, 1972; Van Uytven, 2007; www.cambrinus.nl; www.brabantsbier.eu)	

**Table 4.4 Illustrations of Carriers of Dormant Logics (CONTINUED)**

<b>Dormant Logic</b>	<b>Peripheral Actors</b>	<b>Carriers</b>	<b>Cultural Detritus</b>
<i>Aesthetics</i>	<p><u>Beer Pub Owners &amp; Consumers</u>: Pub owners and consumers gradually lost power over the variety of products they offered and consumed.</p>	<p><u>Symbolic Remnants</u>: The dissolution of breweries went hand in hand with the abandonment of the production of certain beer styles and the use of unique beer recipes and ingredients.</p>	
<i>Illustration</i>	<p>During the 20<sup>th</sup> century, more and more large brewers signed exclusivity contracts with beer pubs. Even after a contract like this expired, it was very difficult for the beer pub to close a deal with another brewery. For example, in 2005, Q's Café in Amsterdam wanted to sign an agreement with a new brewery after its exclusivity contract with Heineken expired. In order to do so, it was forced to buy out Heineken's tap installation for more than €4500. (De Volkskrant, Aug. 3, 2005)</p>	<p>Nijmegen had as many as 50 beer breweries in the 17<sup>th</sup> century. A local specialty was "Molbier". This was white, sweet beer that had to be consumed quickly after it was brewed. Although very popular during the 17<sup>th</sup> and 18<sup>th</sup> centuries, the beer disappeared, as did the breweries brewing it during the 19<sup>th</sup> century (Buylincks, 1986).</p>	

## 4.5 Logic Re-Emergence in Three Stages

Whereas the previous sections introduced the different logics of beer brewing in the Netherlands and described how other logics became dormant, this section focuses on answering our second research question: How do dormant institutional logics re-emerge during the rise of new markets? We answer this question by developing a theoretical model of logic re-emergence, based on our efforts during the third stage of data analysis.

The structural changes in the field can best be described by dividing our data into elements pertaining to three broad stages of logic re-emergence. These stages are partially sequential and partially recurrent. During the first stage, the actors in the field became increasingly aware of the existence of alternative ways of beer brewing leading to the re-awakening of dormant logics. This stage unfolded mostly during the 1970s. At the beginning of this stage, the field was dominated by large producers of Pilsner and, as a consumer, it was difficult to find any other type of beer. As foreign ale beer began to be imported and slowly became popular (especially in university towns), there was a growing awareness of the differences between the Dutch beer field and other fields, and of the differences between the current and historic states of the field.

The second stage we identified coincided with an increase in “theorization” (Greenwood, Suddaby, & Hinings, 2002) of these alternative ways of brewing, leading to the re-dressing of dormant logics. Taking place mostly during the 1980s, there was an increase in produced text that described different types of beer, different production methods, and that provided an account of how the field had become so homogenous. However, at this stage, these alternative logics resided largely in text and were embodied only to a very limited extent in actual organizational practices.

Finally, during the third stage—mainly taking place during the 1990s and 2000s—the dormant logics were re-manifested by becoming strongly embodied in newly founded organizations. Many new beer breweries saw light of day that were inspired by and designed in accordance with the texts produced during the second stage. Additionally, incumbent beer breweries also increasingly adopted products and practices associated with the alternative logics. In the final part of our results section we combine our ideas about the three stages of logic re-emergence with an overview of more detailed coding about the

types of work performed by various actors during the different stages in order to develop a multilevel process model of logic re-emergence. Figure 4.1 is the upshot of our efforts that we will detail further below. Tables 4.5, 4.6, and 4.7 that follow each results section provide an overview of our coding efforts and representative quotes.

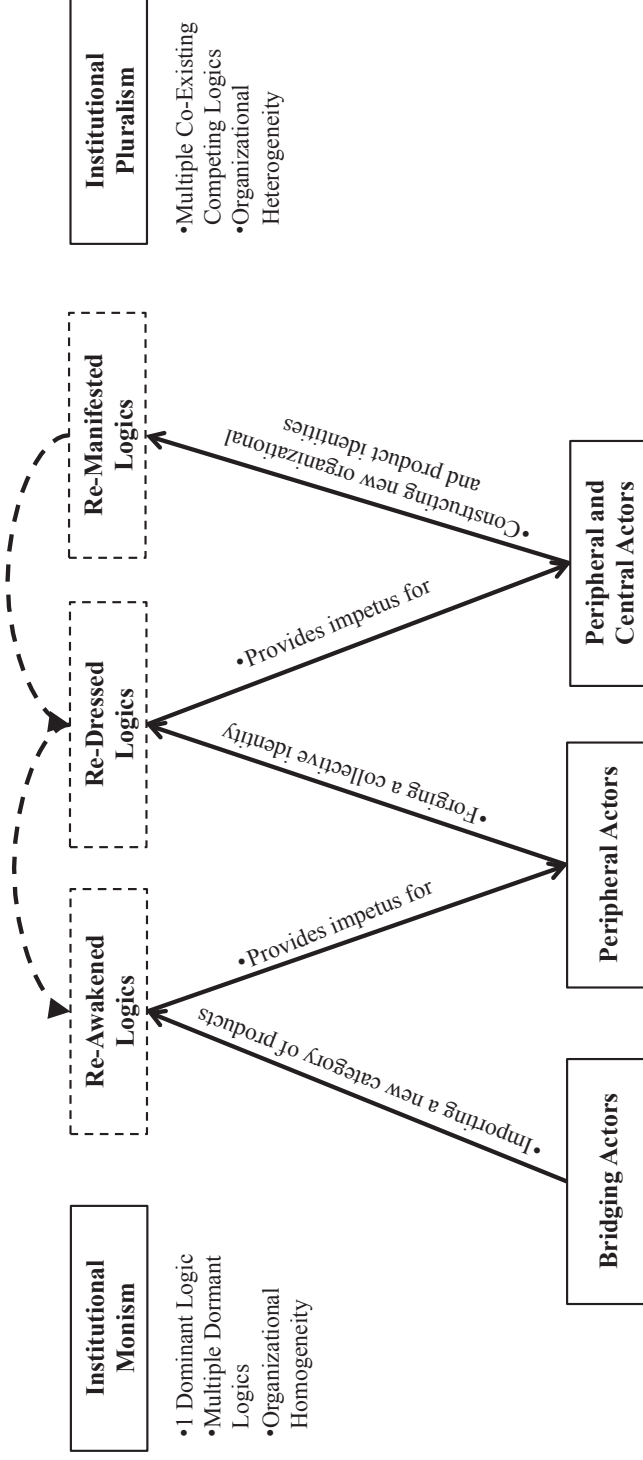
#### **4.5.1 Stage 1: The Re-Awakening of Dormant Logics**

During the first stage of logic re-emergence that the work performed by various actors led to the re-awakening of dormant logics as apparent in field actors becoming more aware of the existence of alternative goals and practices. We found that most impetus for performing these actions was derived externally from other fields.

**Relevant actors.** Important individuals during this stage were the owners of alternative beer pubs and other importers of foreign ale beer. Whereas most beer pubs had a lease contract with a Dutch Pilsner brewery that prescribed exclusivity of distribution, during the late 1960s and early 1970s multiple pubs emerged that deviated from existing beer pubs by offering foreign ales. Their initiative was followed by the rise of professional importers and also led to considerable media attention. Remarkable was that the owners of pioneering beer pubs and beer-importing businesses started with modest means and ambitions, and were surprised by the seemingly significant impact of their actions (see, for example, quote 1.2 in Table 4.5).

**Focus of work.** The actions of relevant actors during this stage were ultimately directed towards the introduction of a new product (foreign ale beer) and associated consumption practice (“tasting” instead of “binge drinking”) to the field. This involved (1) the discovery of the existence of alternative products and practices, and (2) the setting-up of new organizaional forms to diffuse the new products and practices. Discovery occurred mostly in more accidental rather than intentional fashion as the quotes in Table 4.5 suggest. A good example is Piet de Jongh (owner of pioneering beer pub ‘De Beyerd’), who discovered Belgian ale beer through regular holidays he celebrated in Belgium (see quote 1.3). The creation of practice diffusion vehicles was, at this stage, a process that leaned heavily on improvisation and bricolage. A good example comes from the founders of ‘Jan Primus’, who bought a discarded van and drove to a great variety of small foreign breweries to buy small batches of beer (see quote 2.1).

Figure 4.1 Theoretical Model of Logic Re-Emergence





The actions of the pub owners ultimately led to growing awareness of the existence of alternatives to mainstream Pilsner by a wider public. In the media, reports emerged that discussed the differences between the state of the Dutch versus the Belgian beer brewing industry, which alerted field actors to the fact that the Netherlands used to have a great variety in beer producers. This triggered field actors to think about beer in different ways, activating peripheral field actors and thereby awakening dormant logics.

**External impetus.** During this stage, field actors, such as the beer pub owners, derived most impetus externally from outfield exemplary organizations. For the pioneering beer pub owners, Belgian breweries and beer pubs were the most important source of inspiration. All of them seemed to predominantly, yet not exclusively, focus on the import of Belgian beer over other “neighboring” countries rich in alternative beers (Germany and the U.K.). It is likely that the combination of shared language, short distance, and high concentration of variety led to the predominance of Belgian ale in early alternative beer assortments. Overall, this suggests that the manifestation of alternative logics in related fields and the existence of bridging actors that can observe and import the elements of alternative logics is an important condition for early logic re-emergence work.

**Internal impetus.** Although it was difficult to determine any specific internal sources of motivation for actors at this stage, it is clear that the existence of a latent demand was a necessary condition for the sustenance of their efforts. All of the pioneering pub owners seemed to be aware of the existence of at least a small group of potential customers that were interested in beers other than the dominant Pilsner. One of the employees of one of the pioneering pubs referred to them as “people with strange thirst” (see quote 1.2 in Table 4.5). Later during this stage, other actors—the founders of “follower” beer pubs and beer importers, and the media—built on the efforts of these pioneers, leading to growing awareness of the existence of alternatives to Pilsner beer production and consumption.

These observations are summarized in the following proposition:

**Proposition 2:** *Dormant logics in one field will be re-awakened when (a) those logics are manifest in a related field, (b) the elements of which are observed by actors who span across fields, (c) who are able to attract attention in the field to alternative goals and means by importing such elements.*

Table 4.5 Illustrative Quotes for Stage 1: The Re-Awakening of Dormant Logics (1965–1980)

Actors: (Pub owners, beer importers)		External Impetus: Outfield Exemplary Organizations	Internal Impetus: Infield Latent Demand
<b>Focus of Work: Introducing a New Product</b>			
1. Discovering popularity of alternative products and practices by chance and experimentation.	<p>1.1 “I started introducing new beers because I enjoyed it. It’s a feeling you have. I really wanted to specialize with a new type of café; not just a neighborhood café.” (<i>Piet de Jongh, Owner Café De Beyerdt</i>)</p> <p>1.2 “Contrary to what the owners assumed, there were more than ‘a few’ people that were thirsty for something else and it was busy from the get go. This wasn’t so much because beer lovers instinctively knew the way to the Jan van Scorelstraat, but because every newspaper and magazine wrote long, laudatory articles about this café.” (<i>Henk Westbroek, ex-employee Café Jan Primus, In De Oud-Utrechtse, 9 August 2011</i>)</p>	<p>1.3 “I wasn’t always interested in beer. I enjoyed going to Belgium, my father too. We took the children to the Belgian coast and that’s where I got to know all the specialty beers. That was back at the beginning of the ‘50s. There, for them, it wasn’t specialty beer, just their own local beer. There were different local beers all along the coast. And that’s where I learned to recognize and enjoy the difference. I thought it would be fun to try it here too.” (<i>Piet de Jongh, Owner Café De Beyerdt</i>)</p>	<p>1.4 “They (Café Gollem) were in Amsterdam, a cosmopolitan city. So as a café you often get tourists asking: “do you have this? Do you have that?“. If that happens often enough, they’ll start stocking it. (<i>Rob Gras, Co-Founder PINT</i>)</p>
2. Setting-up new organizational forms through improvisation and bricolage.	<p>2.1 “There was no Internet then, so you had to find things out another way. There were also no wholesalers in the Netherlands for specialty beers. We were, thus, really pioneers in that area. I spent 10 years with a couple of colleagues scouring all of Belgium for beer. I always had a container with me to bring beer back home.” (<i>Piet de Jongh, Owner Café De Beyerdt</i>)</p> <p>2.2 “The driving force behind the pub—the Van der Pas brothers—had conceived of a plan to create a haven for the few lovers of Belgian, German and English beers. That was easier said than done because there was no wholesaler in the Netherlands that was able to supply them with anything besides Pilsner. For that reason, the brothers bought a discarded van from the postal service and used that to travel to Belgium and Germany a few times a week (and England a couple of times) to buy crates and barrels of beer from tiny breweries as well as from abbey breweries.” (<i>Henk Westbroek, ex-employee Café Jan Primus, In De Oud-Utrechtse, 9 August 2011</i>)</p>	<p>2.3 “I Pumpke sourced the beer themselves. They got Duvel and Westmalle Tripel from Belgium and they had a German <i>alt</i> on tap. That was something special.” (<i>Rob Gras, Co-Founder PINT</i>)</p>	<p>2.4 “In 1967, I took over my father-in-law’s café which was actually a café in which the average age of the patrons was 60. That didn’t make me happy as a 28 year old. But I was in luck that the day I opened, a new well-known school was opened next door. There were only girls there, 100 girls between the ages of 18 and 29. I profited from the youth there. They ensured that I could sell the beers I picked up in Belgium more easily. (<i>Piet de Jongh, Owner Café De Beyerdt</i>)</p>

#### 4.5.2 *Stage 2: The Re-Dressing of Dormant Logics*

During the second stage of logic re-emergence, the work performed by a small set of actors led to the re-dressing of dormant field logics as apparent in the availability of texts related to new aims and practices. We found that actors derived the impetus for performing these actions from both internal and external sources.

**Relevant actors.** Important actors during this stage were the founders of consumer association *PINT* as well as the first founders of new Dutch craft beer breweries. *PINT* was founded in 1980 and modeled after British example.<sup>1</sup> Initially, the association predominantly took the form of a social movement organization with as its main goal to revive, promote, and conserve beer culture in the Netherlands. The emergence of *PINT* was quickly followed by the founding of new Dutch beer breweries that reintroduced ale beer produced on Dutch soil. *PINT* played an important role in the founding of most of these breweries by either (1) actively contributing to the founding process, or (2) promoting the new beer brewery in their news magazine and at festivals.

**Focus of work.** The actions of actors during this stage were ultimately directed towards forging a new collective identity for organizations and individuals involved in ale beer production and consumption: craft beer breweries and consumers. This involved (1) advocating the diffusion of new goals, (2) theorizing new means-end relationships, (3) creating a foil to highlight the particular qualities of craft breweries, and (4) establishing diffusion mechanisms. Advocacy for the diffusion of new goals for beer production and consumption was the initial purpose for which *PINT* was set up. This was apparent in the objectives that were consistently included on the last page of their bimonthly news magazine during the first years after founding (see quote 3.2 in Table 4.6), which advocated the diffusion of production and consumption aims in line with the dormant aesthetic, conservation, and perfection logics. It was also reflected by a statement of one of the founders of *PINT* in the first issue of *PINT Nieuws*: “We’re not here to cultivate boozers. For us it is about the selective and conscious consumption of beer. We want the artisanally brewed beer, made of natural stuff, without chemical additives or pasteurization back on the market” (see quote 3.1 in Table 4.6).

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<sup>1</sup> This example was CAMRA (“CAMpaign for the Revitalization of Ale”), which was founded in 1971 to protect and revive British beer brewing culture. The name of the association was later changed, after the successful revitalization of ale, to “Campaign for Real Ale”.

*PINT* not only advocated new goals, but also took an active role in showing what alternative goals would entail exactly and how they could be achieved. They theorized that the further proliferation of production and consumption of traditional beer would solve the problems that they saw with the existing field configuration. They promoted three arguments in which they theorized how the diffusion of traditional beer could be a means to solve the problems they observed and contribute to their overall goal (revive, promote, and conserve beer culture). First, they argued that there was an extensive variety in traditional beer styles (both foreign as well as domestic) that producers could draw from, which would enrich the brewing culture (e.g. quote 3.8). Second, they hypothesized that if consumers would come across these traditional beers, they would learn how to appreciate beer and shift from “binge drinking” to “conscious consumption” (e.g. quote 4.1). Third, they claimed that traditional beers were “pure” and free of unnecessary chemicals and additives and, as such, the production of traditional beers would lead to better product quality (e.g. quote 3.1).

Another set of actions that helped forge a new collective identity were those related to the creation of a foil that would highlight the unique qualities of small craft breweries. Although formally *PINT* claimed to be an objective consumer association that wished to maintain ties with all beer producers, in their communication they were frequently critical of large Pilsner breweries. This contributed to the emergence of a wider belief that the industrial Pilsner breweries were mainly to blame for the “deterioration” of Dutch beer brewing culture (e.g. quote 5.3). A clear example of this kind of work is the speech given by one of the *PINT* founders for the second ‘Bokbierfestival’ organized by *PINT*, in which he criticized the practices of one of the large Pilsner breweries, holding them responsible for the closure and disappearance of many ancestral beer breweries (see quote 5.1). We found that this newly constructed foil played an important role in the founding of new Dutch beer breweries at a later stage, as many founders arrived at a relevant identity for their own breweries through a dynamic of disidentification with large industrial breweries.

Finally, *PINT* established multiple diffusion mechanisms that allowed their ideas to spread throughout the field. Besides its bi-monthly magazine that was distributed amongst individual members and beer pubs, they hosted numerous beer festivals and excursions (see quotes 6.1 to 6.3). A good example is the ‘Bokbierfestival’ that *PINT* hosts every fall,

providing a platform for the promotion of alternative beers to Pilsner. Where initially this festival was dominated by products of large Pilsner breweries that were alternatives to Pilsner but still lager beer, quickly the festival became a platform for the promotion of ale beers and their producers.

*External impetus.* Actors at this stage derived impetus from other fields and outfield organizations that functioned as exemplars to be emulated. A very important source of motivation and inspiration for *PINT* was the British beer consumer association CAMRA. CAMRA was founded about a decade before *PINT* and had achieved substantial success in mobilizing individuals to join their “campaign” for the revitalization of ale beer, which had contributed to the re-emergence of ale beer production and consumption in the U.K. The existence of CAMRA played a critical role in the founding of *PINT* (see quotes 3.5 to 3.7). In 1980, a Dutch member of CAMRA wrote a letter in CAMRA’s magazine *What’s Brewing* in which he called attention to the “poor state” of the Dutch beer culture and asked other Dutch members to take action. This led to the formation of an initial group of 20 individuals, who laid the foundation of what later became *PINT*.

Apart from CAMRA in the U.K., foreign ale beer breweries provided another external source that served as an important factor fueling the work performed by *PINT*. In surrounding countries (Belgium, Germany, and the U.K.) there was a greater variety in beer breweries and a continued persistence of ale beer breweries. Such beer breweries were frequently displayed and extensively described in the *PINT* news magazine, thereby serving as examples of the alternative means and ends that *PINT* was promoting. A clear example of this is the extensive description of the Belgian brewery ‘Moortgat’, producer of the well-known ‘Duvel’ beer, in the first issue of *PINT Nieuws*, in which a complete layout is provided of the specific steps in the production process and the ingredients that are used (see quote 4.5).

Finally, other non-beer fields also seemed to provide impetus for the actions of *PINT*. One example is apparent in a column that appeared in an early issue of *PINT Nieuws* (see quote 4.6), in which beer brewing and consumption was compared with wine making and consumption and in which the author quipped: “We can talk about the best bouquet, rich flavor, the soft palate, and the beautiful color of a noble wine. If we do the same with a noble beer—and those exist just as noble wines exist—then one finds that a

little strange. Beer, that is not something you talk about, you just chug it down. Maybe this is caused by the fact that large groups of people can merely associate beer with Pilsner.”

**Internal impetus.** During this stage, actors clearly derived more impetus from internal sources as compared with the first stage. Demand for alternative beer was now more manifest, as exemplified by the existence of the pioneering ale beer pubs that served as an exemplar for *PINT*. Additionally, there was a budding but cumulative awareness of the field’s past, and the associated cultural detritus served as another internal driver of logic re-emergence work.

The owners of pioneering pubs provided *PINT* with the impetus to educate active *PINT* members about foreign beer breweries and their beers. The founders of two of the pioneering pubs also served on the Board of Directors of *PINT* and on the editorial board of *PINT Nieuws*. Their knowledge about foreign beer breweries, in particular Belgian ones, was unique to *PINT* as most of its founding members were more aware of the situation in the U.K. Additionally, *PINT* took over the organization of the Bokbierfestival in 1980 from a pioneering pub in Amsterdam that had originally set it up on a much smaller scale two years earlier (see quote 6.5).

Apart from contemporary infield exemplar organizations, *PINT* and early craft brewery founders derived impetus from historical infield exemplar organizations in the form of cultural detritus—the symbolic elements left behind by ancestral organizations. *PINT* founders regularly referred to the past of the Dutch beer field as an important source of inspiration for change in the present. The following statement by one of the founders is illustrative: “The inspiration from the past consists of the variety that the past offered. If you were to produce beer again that was consumed in the past, then a lot of people would say: ‘what is this mess, we don’t like that anymore.’ Especially if you are talking about a number of centuries back. The flavors have changed now. But the *variety* of the past *is* [an important source of inspiration]. That is what we cling to. It would be wonderful if we yet again had such variety” (quote 3.8).

The above observations are summarized in the following proposition:

**Proposition 3:** *Re-awakened logics will become re-dressed if there are re-activated actors who (a) derive impetus from infield detritus and outfield exemplars, who (b) re-theorize dormant means-end relationships, and who (c) establish diffusion mechanisms.*

**Table 4.6 Illustrative Quotes for Stage 2: The Re-Dressing of Dormant Logics (1980-2000)**

<b>Actors: (Consumer association founders and early craft brewery founders)</b>	<b>External Impetus: Outfield Exemplary Organizations</b>	<b>Internal Impetus: Infield Exemplary Organizations and Infield Cultural Detritus</b>
<p><b>Focus of Work: Forging a Collective Identity</b></p> <p>3. Advocating for diffusion of new goals</p> <p>3.1 "For us, it's not about creating drunkards. It's about selective and conscious beer drinking. We want to bring traditionally brewed beer, made of natural ingredients, without chemical additives and without pasteurization, back on to the market." (<i>Nico van Dijk, Co-Founder PINT, in PINT Nieuws 1, November 1980, pg.2</i>)</p> <p>3.2 "Pint's goals: 1. Providing consumers with objective information on a. the current beer situation in the Netherlands; b. traditional manners of brewing and tapping, and c. to make beer culture important again in the Netherlands. 2. Encouraging breweries to produce beers in a traditional manner, without unnecessary, unnatural additives, filtering and pasteurization – henceforth referred to as "traditional beers" – in a variety of types and flavors, and to assist in publicizing these beers... 6. Carrying out testing (of quality and taste) of both Dutch and imported beers, by a. fully independent and objective beer connoisseurs from here and from abroad, known to the management or unattached members; b. chemical analysis... 8. Encouraging the recording of beer history in the Netherlands." (<i>PINT Nieuws 1, November 1980, pg. 12</i>)</p> <p>3.3 "We wanted variation in the beer world. And that has been partially successful. And we would like to keep this variety." (<i>Peter Eissing, Co-Founder PINT 3.4</i>) "I was ambitious. I wanted to encourage the spread of specialty beer across the Netherlands." (<i>Herm Hegger, Founder, Brouwerij Raaf, Founding Year: 1984</i>)</p>	<p>Outfield exemplary organization: 3.5 "We went to England very often. In England we were introduced to good English beer and to the fact that there was a consumer association in existence there that dealt with beer (The Campaign for Real Ale). And we got to know London's pubs and met people there that were also interested in beer, that had tried different types of beer and thought: "Shit, we don't have anything like this in the Netherlands."" (<i>Peter Eissing, Co-Founder PINT</i>)</p> <p>Outfield exemplary field: 3.6 "... Moreover, in England it seemed to be possible to bring small breweries that had disappeared back to life, including old recipes and even to establish a surprising number of new breweries and with success. More and more of the big breweries have started to produce one or more traditionally brewed beers in addition to their more modern beers." (<i>PINT Nieuws 1, November 1980, pg.2</i>)</p> <p>Outfield exemplary organization: 3.7 "The Campaign for Real Ale (CAMRA) is a sister organization to PINT, and has been an example in many ways to our organization... CAMRA's success is obvious. More than half of the pubs in Great Britain sell "real ale" and the hand pump has been reintroduced in many establishments. The consumption of traditional beer has increased from 4.2 million pints per day in 1969 to 5.3 million in 1979... CAMRA remains a good example of what is possible and we hope that they, and PINT as well, keep gaining ground in the coming years." (<i>Nico Jong, in PINT Nieuws 7, December 1981, pg.3</i>)</p>	<p>Infield cultural detritus: 3.8 "The inspiration from the past is based on the diversity of the products on offer in the past. If you started brewing a bunch of the beer that was consumed in the past, people would say: what is this garbage? We don't want this anymore. Certainly if you go back a few centuries. Tastes have changed. But the variety that was produced in the past [still serves as inspiration]. We hang on to that. It would be wonderful to have that kind of variety again." (<i>Peter Eissing, Co-Founder PINT</i>)</p> <p>Infield cultural detritus: 3.9 "At the beginning of this century, we still had about 500 beer breweries in this country. Of these, as you know, only about 15 independent breweries still exist. In addition, in the past a fairly large number of farmer's wives used to brew beer for private consumption. We can safely assume that this no longer takes place very often. Thankfully there is a renewed interest in brewing techniques of the past." (<i>PINT Nieuws 7 December 1981, pg. 8</i>)</p> <p>Infield cultural detritus: 3.10 "In the southernmost provinces, throughout history, people drank a great deal. That was the case in Breda. As was written in an earlier article, there were 11 brewers active in Breda in 1416. The assortment of beers at that time was enormous. Breda was famous for its brown beers and wheat beer (witbier)." (<i>PINT Nieuws 18, 1983, pg.4</i>)</p>

Table 4.6 Illustrative Quotes for Stage 2: The Re-Dressing of Dormant Logics (1980-2000) (CONTINUED)

	External Impetus: Outfield Exemplary Fields and Outfield Exemplary Organizations	Internal Impetus: Infield Exemplary Organizations and Infield Cultural	Detritus	
<p><b>Focus of Work: Forging a Collective Identity</b></p>	<p>4. Theorization of and education about new means-end relationships</p> <p>4.1 “When we reach the point where more people start discovering different kinds of “something other than normal pilsner” beers, people will realize that the cookie-cutter pilsner is for the beer connoisseur what a cheap Moselle or a French table wine out of a screw top bottle is for a wine connoisseur. This could lead to more satisfying beer drinking, the possibility of more choice from a broader assortment of beer than is currently offered by the big breweries and more social acceptance of beer via more tasting and less boozing.” (<i>P.B. Eissing, Co-Founder PINT, in PINT Nieuws 1, November 1980, pg.4</i>)</p> <p>4.2 “There are enough different beers with a whole bunch of different tastes, still most Dutch breweries offer only one kind of beer. The consumer doesn't have the opportunity to make a real choice between different kinds of beer and unknown is unlabeled. PINT was established to bring clarity to an environment of unclear consumer information. We try to bring lesser-known beers to the fore and to bring our half-dead beer culture back to life. More concretely, we do this by publishing about regulation and chemical additives.” (<i>Ben Kegge, Co-Founder PINT, in PINT Nieuws 6, October 1981, pg. 2</i>)</p> <p>4.3 “In my opinion, it would be useful to have a summary of the origin and particular characteristics of all types of beer that are produced in Europe and are available in the Netherlands. When I hear the (tail) tales told in cafés about what a certain beer is, I get sick to my stomach.” (<i>Nico van Dijk, in PINT Nieuws 6, October 1981, pg.3</i>)</p>	<p>Outfield exemplary field: 4.4 “In Einbeck, since 1378, a top-fermenting yeast weiss-beer was brewed that was enjoyed outside of that region as well. People in Beieren called this beer “Einbecker beer” and because the Beier speak a German dialect, this name became “Bock beer”. The original private brewery in Einbeck still puts out three variations of the original Bock beer on the market: namely a “hell”, a “dunkel” and a “Maibock”. There were many Dutch bokbieren produced again this year. Many of these will be available at the PINT Festival.” (<i>PINT Nieuws 1, November 1980, pg.3</i>)</p> <p>Outfield exemplary organizations: 4.5 “PINT Nieuws regularly publishes articles about foreign beers that are available in the Netherlands. . . . Duvel is a delicious, but strong beer, “invented” by Beer Brewery Moortgat in Breendonk. In addition to Pilsner beers, Marédsous and Sanctus, the brewery has made this great, top-fermenting yeast beer. . . [what follows is a detailed description of the ingredients and the production process].” (<i>PINT Nieuws 1, November 1980, pg.10</i>)</p> <p>Outfield exemplary field: 4.6 “We're allowed to discuss the bouquet, the rich taste and the beautiful color of a fine wine. Do this about a fine beer – and there are those beers that are just as good as fine wines – and people think it's a little strange. You don't talk about beer, you just knock one back. Perhaps this is caused by the fact that most people see beer only as Pilsner.” (<i>Peter Eissing, Co-Founder PINT, in PINT Nieuws 1, November 1980, pg.4</i>)</p>	<p>Infield exemplary organization: 4.7 “[The owners of the pioneering specialty beer cafés] had quite a bit of insight into the Belgian beer world. They also sold various German beers. This way you could get a fair amount of variety, but Dutch beer just wasn't there at that point. And those people, in particular the guys at Golleme, have brought expertise to the association and, I have to say, they have never used it for commercial gain.” (<i>Peter Eissing, Co-Founder PINT</i>)</p> <p>Infield exemplary organization: 4.8 “I Pumpke got the beer themselves. They got Duvel and Westmalle Tripel from Belgium and they had a German all on tap. That was something special. We got to know these too pretty quickly, at the end of the 70s. But in that group, the one that formed PINT in the beginning, there weren't many that had a real understanding of the enormous culture that you saw in Belgium. The café owners [of Golleme and De Beyer] did, of course, they knew the most important things.” (<i>Peter Eissing, Co-Founder PINT</i>)</p> <p>Infield cultural detritus: 4.9 “The last brewery, that makes a top-fermenting yeast beer, was and still is the beer brewery “De Schaapskooi” in Tilburg. Up until 1958, Brouwerij Mierres in Maastricht also still make a top-fermenting yeast beer.” (<i>PINT Nieuws 1, November 1980, pg.5</i>)</p>	



**Table 4.6 Illustrative Quotes for Stage 2: The Re-Dressing of Dormant Logics (1980-2000) (CONTINUED)**

	<b>External Impetus: Outfield Exemplary Fields and Outfield Exemplary Organizations</b>	<b>Internal Impetus: Infield Exemplary Organizations and Infield Cultural</b>	<b>Detritus</b>
<b>Focus of Work: Forging a Collective Identity</b>			
5. Creating a foil	<p>5.1 "More than 99% of the beer that is consumed is Pilsner beer. It's even more amazing if we look at the assortment of beer offered by the bigger breweries. Take Skol in Breda as an example. Things aren't going well for either Skol or its parent company Allied Breweries in England. Look at the numbers. What did this multinational do? They got involved in Dutch breweries. They allowed well-known, established brand names to disappear and closed breweries that they had taken over." (<i>Nico van Dijk, opening speech, 4e Nationale Bokbierfestival georganiseerd door PINT, November 1981</i>)</p> <p>5.2 "Over the last 50 years, the Dutch brewing industry has been characterized by fusions, closures of small breweries and the diminishing of different types of beer as a consequence. Because of this we have become a 95% Pilsner country in which the big breweries determine what we're supposed to like. Hopefully this situation has reversed itself for good because breweries are becoming re-invigorated." (<i>PINT Nieuws 4, May-June 1981, pg. 1</i>)</p> <p>5.3 "I'll give you an example of how Heineken operates. If you come across a café that sells Heineken, that café is in debt to Heineken. Say the café owner comes to you to buy beer and the Heineken man comes along... Then the café owner has to get rid of the beer on the spot, otherwise he'll hear: now that loan you have from Heineken? You'll have to pay that back next week because the contract specifies which beer we allow you to have on tap here. And those really are the gangster-like methods that they use!" (<i>Wim Smit, Founder, Brouwerij Sloth, Founding Year: 1982</i>) (quote adopted from De Winter, 1986)</p>	<p>Infield cultural detritus: 5.7 "We didn't know much about the history [of the beer industry] in the Netherlands, but we did know something about the situation in the Netherlands and also about the fact that, in the past, various breweries had been bought up by bigger ones and subsequently closed. So we knew that a whole bunch of brands had disappeared." (<i>Rob Gras, Co-Founder PINT</i>)</p> <p>Infield cultural detritus: 5.8 "Heineken is now the biggest brewery in the Netherlands and one of the biggest in Europe. Since 1864, Heineken has taken over the following breweries: [what follows is a list of 13 Dutch breweries that were acquired by Heineken over a century. Similar lists follow for Skol and Artois, predecessors of what is currently known as AB-Inbev]." (<i>PINT Nieuws 1, November 1980, pg.6-7</i>)</p>	

Table 4.6 Illustrative Quotes for Stage 2: The Re-Dressing of Dormant Logics (1980-2000) (CONTINUED)

	External Impetus: Outfield Exemplary Fields and Outfield Exemplary Organizations	Internal Impetus: Infield Exemplary Organizations and Infield Cultural
	<b>Organizations</b>	<b>Detritus</b>
<b>Focus of Work: Forging a Collective Identity</b>	Outfield exemplary organization: 6.4 "Honesty and objectivity require me to say that the idea of a beer festival isn't completely of Dutch origin. When PINT was nothing more than a latent thought in the brains of a number of unorganized individuals, our English sister organization CAMRA already held festivals periodically at which traditional brewing and tapped pints were the central feature. I got to experience only one of these festivals in Oxford at which about 120 beers were available. The advice was to "try them all!" People could see how many people were really involved in and enjoyed the re-introduction to beer... On a much more modest scale, PINT wants to achieve the same thing with the Fourth National Bokkier Festival. With 14 different bokkieren, after Pilsner, it is the largest assortment within one type of beer, offered to us by the Dutch brewing world."	Infield exemplary organization: 6.5 "The founders [of Café Golleem in Amsterdam] were involved [in PINT's founding] since the very beginning. We took over our first activities from them very early on. In Amsterdam, they organized a bokkier festival. In 1978 and 1979, they did that in the context of the café and in 1980, shortly after our official establishment, we organized our first bokkier festival. We were so proud. We had 6 bokkieren and 300 attendees in three days. That was huge." ( <i>Peter Eissing, Co-Founder PINT</i> )
6. Establishing diffusion mechanisms	6.1 "After the CAMRA story, you have to ask yourself if anything has changed in our country in a year's time. This can be answered in the affirmative. In this time, PINT hasn't let any opportunity pass them by in the context of festivals, national and regional press and via PINT Nieuws to keep the beer consumer abreast of the current beer situation in our country, beer regulations, chemical additives, our own goals and, in particular, the fact that Pilsner is not synonymous with beer. In our first campaign year, no fewer than five new top-fermenting yeast beers have been produced in this bottom-fermenting yeast beer country." ( <i>Ben Kegel, Co-Founder PINT, in PINT Nieuws 7, December 1981, pg.2</i> )	
	6.2 "The number of beer brewers in the hobby world is also growing. Those that have been brewing beer on their own have done the pioneering work required to get their hands on the necessary equipment and ingredients. . . . It appears that a few enthusiastic hobby beer brewers have found a way in and have built up quite a bit of brewing experience. We'd love to get in touch with these individuals. The main goal would be to exchange experiences. We were also thinking of making joint purchases and holding tastings of each others' beer." ( <i>PINT Nieuws 7, December 1981, pg. 8</i> )	
	6.3 "Most liquor store owners are wine connoisseurs, they read books and take courses on wine, but they really know nothing about beer. And then they come here for two days and go back extremely enthusiastic about beer. The course is not about promotion of only our own beers. It's a question of them getting 65 foreign beers to taste and ours." ( <i>Toon van den Reek, Founder, Arcense Bierbrouwerij, Founding Year:</i>	

### 4.5.3 *Stage 3: The Re-Manifestation of Dormant Logics*

Work during the third and final stage of logic re-emergence comprised actions that led to the re-manifestation of the re-awakened field logics as apparent in the founding of new organizations and the adoption of new products and practices by incumbent organizations. We again found that the impetus for performing these actions was derived from both external and internal sources. Collectively, through the emulation of foreign exemplar breweries and the recycling of infield cultural detritus, brewery founders were able to overcome important challenges associated with founding and were thereby able to contribute to the successful re-manifestation of the aesthetics and conservation logics in Dutch beer brewing. The slightly delayed, but largely concurrent, adoption of craft brewing practices by incumbent breweries accelerated this process.

**Relevant actors.** Important actors during this stage were the founders of new craft beer breweries as well as managers of incumbent Pilsner breweries. The first new beer brewery was founded in 1981, after which the number of foundings per year grew exponentially for the entire duration of our observation window (see Figure 3.2). Founders came from varied backgrounds. Although most founders were of Dutch descent, they varied in terms of their professional training. Some founders had substantial professional experience working for incumbent Pilsner breweries, while others had professional training in another sector but had an affinity with beer tasting and beer brewing as a spare time activity. Apart from new craft beer brewery founders, incumbent Pilsner breweries also played an important role during this stage by adopting new beer styles. Both the multinational Pilsner breweries—such as Heineken, Grolsch, Bavaria, and AB-Inbev (Dommelsch and Hertog Jan)—and the more locally operating Pilsner breweries—such as Alfa, Budelse, Gulpener, and Lindeboom—increased the variety in their product offerings, embracing beer styles promoted by the new craft beer breweries. The adoption of craft beer did not occur before it was clear that there was a market for new types of beer which allowed the incumbent breweries to justify adoption with a profit logic. Thus, although adoption of craft beer in product offerings of incumbent breweries contributed to the manifestation of the dormant logics it did not necessarily signal a switch in logics for the incumbent breweries.

**Focus of work.** The actions of actors during this stage were ultimately directed

toward constructing new organizational and product identities. This involved (1) translating new field goals into organizational goals, (2) assimilating organizational attributes through bricolage, (3) enacting new organizational identities, and (4) adopting newly legitimated products and practices. The work performed by the founders of new beer breweries that followed on the coattails of *PINT* was centered on translating the newly advocated field goals into organizational goals. We observed a variety in the organizational goals adopted that corresponded with the variety in field logics that were re-awakened by *PINT*. Some new founders embraced organizational goals that resonated with the aesthetics field logic. For example, one of the founders of *EleganT Brouwerij* highlights how the brewery's goal was to brew with passion and appeal to a different target group that appreciates other types of beer than Pilsner (see quote 7.3 in Table 4.7). In contrast, other founders embraced organizational goals that resonated more with the conservation field logics. For example, the founders of *Jopen* created their organization to revive old beer types whereas the founders of *De Halve Maan* saw the resurrection of an ancestral brewery as an important aim for their organization (see quotes 7.1 and 7.2).

Apart from formulating new organizational goals, founders' actions centered on assimilating organizational attributes to set up viable new beer breweries and overcome material and socio-cognitive challenges. Since most founders had modest resources, this often occurred through a process of bricolage through which founders actively searched for or stumbled upon discarded or otherwise freely available elements that they could incorporate into their breweries without making significant investments. Although this occurred for all aspects of the brewery, this was most striking in the acquisition of brewing installations—which, if bought as new, are arguably the most expensive part of a brewery. The stories of the founders of *Raaf* and *Dorpsbrouwerij De Maar* about how they constructed their own brewing installation are exemplary for the manner in which the majority of brewery founders dealt with this challenge (see quotes 8.1 and 8.2). This suggests that apart from the role of cultural detritus during the process of logic re-emergence, technical detritus also provides indirect impetus for the re-emergence of dormant logics.

Apart from the formation of new organizational identities through the formulation of new organizational goals and the related assembling of organizational

attributes, another important aspect of the work performed by founders during this stage was the enactment of new identities. We observed how many of the new brewery founders had gone to considerable lengths to communicate to their audiences how they were different from the incumbent beer breweries. Statements such as: “De Roos is the only true authentic beer brewery of the Netherlands” or “De Prael keeps the beer history alive”, are exemplary in this regard (see quotes 9.1 and 9.2).

Finally, the work of actors at this stage also centered specifically on the adoption of the newly legitimated products and practices. This mainly pertained to the later years of this stage when craft beer produced on Dutch soil had become clearly visible to all actors in the field. Late founders and managers of incumbent breweries observed this development and in many cases adopted some of the newly established practices and products. Theo Sopmans, brew master of incumbent brewery *Lindeboom*, describes how *Lindeboom* has followed the craft beer market by adopting similar products rather than staying away from that market or creating alternative products (see quote 10.3). Rather than constructing new identities, the adoption of craft brewing practices by incumbent breweries can be regarded as a case of (incremental) organizational identity change.

**External impetus.** Actors at this stage derived external impetus most clearly from outfield exemplary organizations and outfield technical detritus. Early founders, in particular, appeared to be inspired by outfield exemplars. There were essentially no active Dutch beer breweries that early founders saw as exemplars. In any case, founders had a hard time finding examples of recently founded breweries as is evident in the story of *Raaf* which was founded in 1984. Herm Hegger, the founder, had to go all the way to Switzerland to find a recently founded beer brewery (*Fischerstube*) where he could learn about the challenges surrounding the founding of a new brewery (see quote 7.4). However, most brewery founders sought support and inspiration more close by and emulated elements of small Belgian breweries that, in contrast to small breweries in the Netherlands, had been able to survive for decades or even centuries (see quote 7.5).

Apart from outfield organizations functioning as identity exemplars, brewery founders also derived impetus from outfield technical detritus. We observed how multiple brewery founders were able to acquire equipment from disbanding or renovating breweries in Belgium and Germany or from dairy and soda producers in the Netherlands. This

facilitated founders in overcoming steep financial challenges associated with the founding of a brewery. They often actively exploited their international ties with other breweries for this or approached organizations in similar industries that were located in the vicinity. Typically, founders would acquire different equipment parts from a range of outfield (and infield) organizations and used those to build their own brewing installation (see quotes 8.4 and 8.5).

Compared to earlier stages, outfield impetus was more directly derived from outfield organizations rather than from external fields in general. In part, this could be attributed to the work performed by actors during the previous two stages of logic re-emergence. The actions of beer pub owners and *PINT* had significantly contributed to increased visibility of foreign brewers of ale beer providing potential founders with clearer templates for the founding of new craft beer breweries.

***Internal impetus.*** Compared to other stages, at this stage actors appeared to most significantly derive impetus from infield sources. Successful brewery foundings appeared to be positively affected by the presence of an infield foil, infield exemplary breweries, and infield cultural and technical detritus. The existence of an infield foil in the form of the large Pilsner breweries appeared to be an important motivational factor for many of the new brewery founders. Where almost all founders argued during the interviews that their breweries could not be compared to the large-scale brewers, many also described the identities of these large breweries to explicitly describe what their breweries were *not*. Additionally, the motivation of some founders to contribute to the proliferation of craft beer was intertwined with a significant disliking of the large brewers. A good example comes from one of the founders of *Het Brouwcafé* in Scheveningen who compared the practices of large brewers to those of the mafia (see quote 7.7).

Apart from the infield foil, many brewery founders were able to make use of exemplary infield organizations. Although early founders would have to seek inspiration from exemplary organization outside of the field, later founders had a wide range of infield exemplars to emulate. We observed that, in particular, the relative success of early craft beer breweries in the Netherlands such as *Arcense Stoombierbrouwerij* and *Raaf* played an important role in the motivation of other brewery founders, as their success proved that there was a market for craft beer produced on Dutch soil. Additionally, many later

founders had travelled around the country, visiting new craft beer breweries and evaluating their attributes and practices before founding their own breweries. Other founders had accumulated work experience at different craft breweries before founding their own brewery. This is, for example, apparent in the founding story of *Graaf van Heumen*, whose identity was in part formed through the working experience one of the co-founders had at a large variety of other craft breweries in the Netherlands (see quote 8.7).

Founders of new beer breweries also increasingly benefited from the availability of infield technical detritus. For example, an important factor behind the success of the first new brewery founded in the Netherlands since WWII, *Arcense Stoombierbrouwerij*, was that the founders were able to lease an abandoned brewing location from *Allied Breweries* (currently AB-Inbev), one of the industrial Pilsner breweries (see quote 8.6). The founders said that without the availability of this location their brewery would probably not have existed. Apart from elements accruing from incumbent breweries that closed locations or abandoned brewing installations, technical detritus also increasingly accrued from failed Dutch craft breweries that were recently founded. There were multiple cases of founders of new breweries that were able to cost-effectively acquire brewing locations and installations left behind by newly founded breweries that went bankrupt. Brewery *De Bekeerde Suster* in Amsterdam, for instance, made use of the building and installation of brewery *Maximiliaan*, which had failed 10 years after opening. In this way a “failed founding” ultimately still led to a “successful founding”.

Finally, founders of new beer breweries (and managers of incumbent breweries to a lesser extent) were able to derive impetus from infield cultural detritus in the re-manifestation of the alternative field logics. There were many examples of brewery founders “recycling” local cultural elements in the formation of identities and associated practices for their new breweries. In particular, founders located in geographical areas with rich brewing histories were able to reincorporate infield cultural detritus that was previously cast by the wayside into new breweries. *Jopen* in Haarlem and *De Roos* in Hilvarenbeek, for instance, were both founded with the initial purpose of restoring local brewing traditions and brought back historic recipes, names and labels, and even brewing equipment (in the case of *De Roos*) (see quotes 7.9 and 9.1). However, in most cases infield cultural detritus was an important additional resource for constructing an

organizational identity that resonated with the local community. The use of local historic brewery names, labels, recipes, or more general narratives was frequently observed.

These observations are summarized in the following proposition:

***Proposition 4:*** *Re-awakened field logics will become manifest when (a) there is a dormant logic capturing a collective identity that resonates emotionally with potential adopters, when (b) adopters have access to sufficient technical detritus to overcome the material challenges associated with revitalizing previously abandoned practices, and when (c) adopters have access to sufficient cultural detritus to overcome the socio-cognitive challenge of re-legitimizing such practices.*



Table 4.7 Illustrative Quotes for Stage 3: The Re-Manifestation of Dormant Logics (1981-2012)

Actors: (Craft brewery founders and incumbent Pilsner brewery managers)	Work: Constructing New Organizational and Product Identities	External Impetus: Outfield Exemplary Organizations and Outfield Technical Detritus	Internal Impetus: Infield Foil, Infield Exemplary Organizations, and Infield Cultural Detritus
<p>7. Translating field goals into organizational goals</p>	<p>7.1 “[The brewery’s initial goal was] to bring back a beer from Haarlem’s history to kick off its anniversary year. When that seemed to be successful, they quickly made sure that the beer was still available after the anniversary year. In the meantime, we have been trying to fill the gap between the smaller breweries in the Netherlands and the bigger ones.” (<i>Michel Ordeman, Founder, Jopen Bier, Founding Year: 1994</i>)</p> <p>7.2 “[W]hen the brewery was re-established in 1989 various people were involved. And for Mr. Wauters [the last owner of the closed brewery], he was about 70 or so then, I think it was more nostalgia for him and the desire to start it up again.” (<i>John Vermeersen, Founder, Bierbrouwerij De Halve Maan, Founding Year: 1991</i>)</p> <p>7.3 “The target group consists of people that really love beer, not Pilsner, but just tasty, quality beer, let’s say . . . . One of the philosophies is that we really just enjoy brewing. That’s how we became amateurs, we enjoyed it then and still do now.” (<i>Cees van der Tang, Founder, EleganT Brouwerij, Founding Year: 2003</i>)</p>	<p>Outfield exemplar: 7.4 “At that point, there were no breweries that I could use as examples because I was brewing on such a small scale . . . . I was once in Basel, at the brewery Fischerstube. That was really the first one in all of Europe that did that. They had a six-hectoliter brewery. I went to take a look at it one time. That was really the only new brewery.” (<i>Herm Hegger, Founder, Brouwerij Raaf, Founding Year: 1984</i>)</p> <p>Outfield exemplar: 7.5 “I wouldn’t say that we have an association with Dutch breweries, more with Belgian. There are a couple of Belgian breweries that we think we are starting to take after. We visited about a hundred breweries in Belgium. We just had a very strong feeling that bitter beers, like the ones you come across mostly in the Ardennes area, that that’s how beer is supposed to taste.” (<i>Raaf van Moorsel, Founder, Bierbrouwerij De Eem, Founding Year: 2006</i>)</p> <p>Outfield exemplar: 7.6 “I came across a project in Toronto, the Distillery District – that was an area in the downtown in which they refurbished warehouses and the old harbor, transforming them into homes, offices, leisure, culture, art, the list goes on. Horeca establishments fit in really well there. At that point we said: yeah, that’s what we want to do with the Hazenmeijer terrain in Hengelo as well. Unlike [the Distillery District], it was not downtown, but on the outskirts of town. Therefore we also needed a plan to attract people to that area. With that in mind, we said: we could build a sort of brew house there.” (<i>Frank Hendriks, Founder, Twentsche Bierbrouwerij, Founding Year: 2008</i>)</p>	<p>Infield foil: 7.7 “Well, I would dare to say that the big guys – Heineken, for example – are just crooks. They are just mafia. They buy something just to close it. They bought De Ridder, for example, and it is now closed. Heineken acquired it and closed it. Brand, for example, they brew a very good Pilsner and as well as craft beers. But in spite of this, it won’t exist in 10 years time. It is Heineken that acquired Brand. The brewery has a good name and people from Limburg are proud of it, but Heineken would rather do away with all things Brand and replace it all with Heineken. That’s how they are.” (<i>Tony Lutz, Founder het Brouwcafé, Founding Year: 1996</i>)</p> <p>Infield exemplars: “Even in their own eyes, Belgian beer made the Netherlands ripe for the introduction of specialty beer. Arceen created demand for Dutch specialty beer and now new, smaller breweries are reaping the benefits.” (<i>De Winter [1986] describing De Friese Bierbrouwerij, Founding Year: 1985</i>)</p> <p>Infield cultural detritus: 7.9 “It actually started as a foundation that, in the lead up to Haarlem’s 750th anniversary year (which was 1995), submitted an idea to the municipality that said something to the effect of: we think it would be fun to do something beer related in celebration of the anniversary year. There were a number of people that started looking into Haarlem’s historical brewing culture – Haarlem had over 120 breweries in the Middle Ages – and they found two old recipes in the city archives: one from 1407 and one from 1501. We had the University of Louvain make pilot brews for both.” (<i>Michel Ordeman, Founder, Jopen Bier, Founding Year: 1994</i>)</p>

Table 4.7 Illustrative Quotes for Stage 3: The Re-Manifestation of Dormant Logics (1981-2012) (CONTINUED)

Work: Constructing New Organizational and Product Identities	External Impetus: Outfield Exemplary Organizations and Outfield Technical Detritus	Internal Impetus: Infield Foil, Infield Exemplary Organizations, and Infield Technical and Cultural Detritus
8. Assimilating organizational attributes through bricolage	8.1 "There were no suppliers, no market for buying and selling. That's why I made my own brewing installation and to get the cost of rent down I decided to rent a run-down location that I then fixed up myself. The building was a former brewery from 1915. The building had remained empty the entire time and I renovated it and started brewing there. I had all sorts of tricks to make it feasible for me. A brewery is actually a very capital intensive business, but with these kinds of workarounds I could make it work." <i>(Herm Hegger, Founder, Brouwerij Raaf, Founding Year: 1984)</i>	8.6 "As far as the situation in the Netherlands is concerned, look, if we didn't have the opportunity to rent this brewery, we would never have gotten off the ground. It's just not possible, it would have required way too much money." <i>(Toon van den Reek, Founder, Arcense Bierbrouwerij, Founding Year: 1981)</i>
8.2 "Yeah, of course it's a combination of opportunities that are available to you. That's the way it always is. And, of course, the decisions. And the ability to do it. Yeah, my brother-in-law helped me put together the first installation to see if it would all actually work. You can want what you want. . . . but the answer was yes [it worked]. Then we set up the space. And built a new installation there. But my brother-in-law didn't have anything else to do with [the brewery]. Coincidentally, he can weld very well. And if you have to have something welded in a non-commercial setting, you have to go to someone to weld something for you, your budget will disappear. Now if you want to do that with salvage material and business." <i>(Leon Bemelmans, Founder, Dorpsbrouwerij De Maar, Founding Year: 2007)</i>	8.3 "[All Arcense beers are] actually always counterparts of existing beers. An Alt like this, until we came out with a Dutch Alt, it was only available outside of the Netherlands [Germany]. So we just displaced the foreign part." <i>(Toon van den Reek, Founder, Arcense Bierbrouwerij, Founding Year: 1981) (Quote adopted from De Winter, 1986)</i>	8.7 "Of course you get inspiration from different breweries, city breweries and then you have three ideas from which a great concept can emerge. I had a brewery with a café in Scheveningen, I was also a co-founder. At Bavaria, I also helped build the new brew house, Brouwhuis 3. I also worked at Heineken. I was part of Oudaen in Utrecht. So, yeah, you come to know almost all of these breweries from the inside and out. Then you see some things, yeah I like that, they brew really great beer there, but can I see the installation? No, I can't see the installation. Would I like that? Yeah, I would, but then again maybe not. Or, maybe it's just not possible." <i>(Constant Keinemans, Founder, Graaf van Heumen, Founding Year: 2009)</i>
8.3 "Yeah, of course it's a combination of opportunities that are available to you. That's the way it always is. And, of course, the decisions. And the ability to do it. Yeah, my brother-in-law helped me put together the first installation to see if it would all actually work. You can want what you want. . . . but the answer was yes [it worked]. Then we set up the space. And built a new installation there. But my brother-in-law didn't have anything else to do with [the brewery]. Coincidentally, he can weld very well. And if you have to have something welded in a non-commercial setting, you have to go to someone to weld something for you, your budget will disappear. Now if you want to do that with salvage material and business." <i>(Leon Bemelmans, Founder, Dorpsbrouwerij De Maar, Founding Year: 2007)</i>	8.4 "The equipment is second hand and originated, in part, in the dairy industry . . . and, in part, from brewing. It's just a question of a lot of scavenging and exploiting contacts with a small German brewery." <i>(De Winter [1986] describing De Friese Bierbrouwerij, Founding Year: 1985)</i>	8.8 "A colleague and I thought up the idea of the brewery. We thought we were so original. In retrospect, we weren't: de Prael had been running for six years already in Amsterdam. But anyway, we figured that out very quickly and we actually transported de Prael's concept to Dronten. In the end we also took over de Prael's installation, as they were moving. So everything that's here is de Prael's old stuff." <i>(Chris Burgers, Founder, Brouwerij Praight, Founding Year: 2008)</i>

**Table 4.7 Illustrative Quotes for Stage 3: The Re-Manifestation of Dormant Logics (1981-2012) (CONTINUED)**

Work: Constructing New Org. and Prod. Identities	External Impetus: Outfield Exemplary Organizations and Outfield Technical Detritus	Internal Impetus: Infield Foil, Infield Exemplary Organizations, and Infield Technical and Cultural Detritus
<p>9. Enacting new organizational identities</p> <p>9.1 "Welcome to the website of the Museumbrouwerij De Roos, the only authentic beer brewery in the Netherlands. . . . Museumbrouwerij De Roos in Hilvarenbeek is a unique village brewery from the 19th century. Here you'll experience the world of traditional beer. Volunteers have successfully restored the old building and its inventory and have even built a new brewery. De Roos has become a living museum in which history, knowledge, Brabant's jovial nature and fun go hand in hand. Volunteers exclusively ensure that Museumbrouwerij De Roos keeps expanding." (<i>Website, Museumbrouwerij De Roos, Founding Year: 1997</i>)</p> <p>9.2 "Brouwerij De Prael is keeping beer history alive. The brewing process at our brewery is still the same as it was centuries ago, before industrialization. The brewery has a modern installation, but all of our choices before and after the brewing process are traditional." (<i>Website, Brouwerij De Prael, Founding Year: 2002</i>)</p> <p>9.3 "The increasingly sweet beers, forced upon us by the few, big breweries, and the flattening of flavor that has ensued, was the impetus for bringing our plans for a traditional brewery to life. The beers from Brouwerij De Eem contain both sweet and bitter flavor elements, enriched by a fruity aroma that we extract from the hops and yeast. All of the Eem beers are brewed from water, malt, hops and yeast exclusively and contain no other additives." (<i>Website, Bierbrouwerij De Eem, Founding Year: 2006</i>)</p>	<p>Outfield exemplar: 9.4 "De Koninck, which has a clear link to the city of Antwerp and that international character, to me, is a good example. For myself, I've always said that the mission is to become De Koninck of Haarlem. What I mean is that De Koninck is a product that everyone associates with the city of Antwerp. If you are in Antwerp, there isn't a single pub that doesn't serve De Koninck. But it also has an international presence and appreciation. And that is where I want to go with Jopen. In short, you need to have a clear link to your city." (<i>Michel Orleman, Founder, Jopen Bier, Founding Year: 1994</i>)</p> <p>Outfield exemplar: 9.5 "An example of a monastery on top of a mountain in Germany, where busloads of people, from [ages] 16 to 80, come to walk around, drink beer. . . . We should have something like that. Hospitality first, and the beer should just be exceptionally good. They have served as an example, the brewers from the German monastery, we've had quite a bit of contact with them." (<i>Carina Kaldor, Founder, Mommeriete Brouwerij, Founding Year: 2004</i>)</p>	<p>Infield foil: 9.6 "I don't want to be associated with factory brewing, the big boys. I don't have anything against Heineken, but I think that they have almost nothing to do with beer. It's more about: how do we keep our parents happy? With them, the product must always be the same. With us, it's not always the same. . . . It shouldn't always be the same. No uniformity, different every time. I grew up in small-scale collectives. I worked in collective cafés and that, of course, makes a big difference. That's why I don't like big companies because then you've got one boss and everyone else just has to do what he says." (<i>Henk Kuiper, Current Owner [2nd Generation], 't Kuiperij, Founding Year: 1987</i>)</p> <p>Infield exemplar: 9.7 "Gulpener serves as an example. I learned the trade there. Gulpener's specialty beer is an interesting concept, I think. . . . The baker under the brewers. . . . [Things that I like to see reflected in my own brewery are] Gulpener's story about the environment, a traditional product and, on the other hand, a little bit of show, the forward thinking of the Grolsch brewery in Boeke-loo. Even using old, traditional techniques, they still managed to set up a nice, modern business. That was very much the case at Grolsch." (<i>Frans Schamp, Founder, Maastland Brouwerij, Founding Year: 1989</i>)</p> <p>Infield exemplar: 9.8 "In the beginning, when we started, we were very jealous of Brouwerij De Hemel in Nijmegen. That is a city brewery with a very good brewmaster. They also have a combination of [brewery and] horeca business. That's a company that we always looked at and thought, wow, what a great company." (<i>Lonneke Brouns, Founder, Brouwerij De Fontein, Founding Year: 2006</i>)</p>

Table 4.7 Illustrative Quotes for Stage 3: The Re-Manifestation of Dormant Logics (1981-2012) (CONTINUED)

Work: Constructing New Organizational and Product Identities	External Impetus: Outfield Exemplary Organizations and Outfield Technical Detritus	Internal Impetus: Infield Foil, Infield Exemplary Organizations, and Infield Technical and Cultural Detritus	
<p>10. Adopting newly legitimated products and practices</p>	<p>10.1 “We [have brands with which we] could cover the whole market. The brand Vos, you probably don’t even know it, that is a specialty beer. We have Affligem that is a very nice Trappist beer. All these brands in hand with which you can offer something to every client.” (<i>Mr. X., Manager, Heineken, Founding Year: 1864</i>)</p> <p>10.2 “As you know, we at Heineken have, in addition to our premium Pilsners from Heineken, Amstel and Brand, a wide variety of specialty beers in our assortment. Specialty beer has seen some growth in the last few years.” (<i>Websites, Heineken Wholesale/Retail, Founding Year: 1864</i>) (On the same page, a list is provided of Heineken’s craft beers, including all of the Brand beers [brewery acquired in 1989, most beers launched after 1980], Affligem [a brew from a Belgian abbey brewery of which Heineken has owned a majority share since 2000], Wieckse Witte and Wieckse Rosé [brand line from Stadsbrouwerij De Ridder which was acquired by Heineken in 1989], Murphy’s Red [Irish brewery acquired by Heineken in 1983])</p> <p>10.3 “... It is a very difficult market and if we want to make headway in it, we have to show that we have something to offer that has been successful. The market is saturated with beer and specialty beer. What you often put out is a sort of “me too” product. We have that too to support our own assortment, but very often we can’t bring out something new right away.” (<i>Theo Soppmans, Brew Master, Lindeboom Brouwerij, Founding Year: 1870</i>)</p>	<p>10.4 “We don’t have a Dutch example. The only ones I really look at are the Belgian Trappist breweries. At one, I find the process interesting; at the other I like their approach. It’s not really that I look at a brewery and say: that’s exactly how I want to do things. No, there are elements from different breweries that you can do something with.” (<i>This Thijssen, General Manager, Brouwerij De Koningshoeven, Founding Year: 1884</i>)</p> <p>10.5 “La Chouffe has served as an example for me. I think it’s impressive how they’ve built up their brand over the past 15 years. From a 200-liter amateur brew kettle to an enormous image that’s now been created. He didn’t start with a big advertising campaign, but made sure his target group knew [about his product]. It was being talked about at beer clubs, which he also frequented, like PINT. That spreads the word in a positive manner.” (<i>Theo Soppmans, Brew Master, Lindeboom Brouwerij, Founding Year: 1870</i>)</p> <p>10.6 “In the 70s and 80s a reversal took place. People starting saying that they didn’t want a market dominated by Pilsner, that there were such nice beers from Belgium and Germany. They started importing Belgian beers. In doing so, consumers caught on to the image that there are many great beers to be had in Belgium. This image of Belgian beer has stuck around for a long time and, as a result, the Netherlands started producing specialty beer. This worked or didn’t work to some extent, but it had a lot to do with the consumer thinking that only Belgians could make good specialty beer. I’m fighting against that.” (<i>Theo Soppmans, Brew Master, Lindeboom Brouwerij, Founding Year: 1870</i>)</p>	<p>&lt;none explicitly mentioned&gt;</p>

## 4.6 Conclusion and Discussion

In this article, we describe the role of dormant logics during the rise of new markets in mature organizational fields. Our study was organized around two research questions: (1) Where do dormant logics reside? And (2) How do dormant institutional logics re-emerge during the rise of new markets? Based on an in-depth analysis of the field of Dutch beer brewing that was both qualitative and longitudinal in nature, we have suggested that when a field becomes monistically organized around one dominant logic, alternative logics may not dissolve but persist in dormant form by being attached to the identities of peripheral actors and cultural detritus. We have also shown that the construction of new markets in mature fields may be ascribed to processes of logic re-emergence.

In the context of beer brewing in the Netherlands, we found that the process of logic re-emergence can be regarded as a distributed process of collective identity work involving three stages: (I) re-awakening dormant logics through the import of new products from related fields, (II) re-dressing dormant logics through the forging of a new collective identity, and (III) re-manifesting dormant logics through the creation of new organizations embracing the new collective identity. Across these stages we found that impetus was derived from a combination of infield and outfield sources in the form of exemplary fields and organizations on the one hand, and detritus on the other hand.

This study makes two important contributions to the literature on organizational field dynamics. First, it extends the institutional logics perspective (Friedland & Alford, 1991; Thornton & Ocasio, 1999; Thornton et al., 2012) by theorizing the role of dormant logics in field change. Where previous studies have hinted at the importance of dormant logics in field dynamics (Schneiberg, 2007; van Gestel & Hillebrand, 2011; Marquis & Lounsbury, 2007; Goodrick & Reay, 2011), we have made a focused attempt to conceptualize how logics become dormant, where they reside once dormant and how they can re-emerge.

Second, our study has implications for the study of emergence and change in mature organizational fields (Padgett & Powell, 2012; Greenwood & Suddaby, 2006; Rao et al., 2003) by detailing how a new market can come into being through processes of logic re-emergence that are driven by a combination of internal and external impetus-providing sources. We show how (I) the accumulation of cultural detritus associated with dormant

logics can make organizational fields structurally vulnerable toward tipping and how (II) tipping can occur when peripheral actors become aware of successful external exemplars that embody alternative logics. By identifying these sources, our study provides a grounded view of field change by showing how market emergence derives from the recombination of existing elements and that infield and outfield factors frequently work in conjunction.

Below we discuss our findings and their implications in more detail.

#### ***4.6.1 The Waxing and Waning of Institutional Logics***

Initial research on institutional logics predominantly focused on the effects of changes in dominant logics in fields (e.g. Haveman & Rao, 1997; Thornton & Ocasio, 1999). Our study extends more recent research that focuses on ongoing dynamics between a constellation of logics (e.g. Goodrick & Reay, 2011; Lounsbury, 2007) by conceptualizing the notion of dormant institutional logics. In our study on the rise of the craft beer market in the Netherlands, we show how the field evolved from a state of apparent monism to a state of manifest pluralism when dormant logics re-emerged.

Specifically, we show how, when Dutch beer brewing became increasingly dominated by large-scale producers of Pilsner beer that appeared to be predominantly driven by a profit logic, actor groups with alternative identities lost power as visible in the numerous failures of small-scale family breweries. These actors did not concede to the dominant profit logic, however, but continued to nurture alternative identities of which they were reminded through continued exposure to cultural detritus. Our study shows how the identities of these actors were re-activated when alternative beers from other countries were introduced to the Netherlands. Our findings show that the discovery of persistent ale brewing in Belgium and the success of the “real ale” movement in the U.K. set the stage for a multistage process in which a variety of actors performed identity work that ultimately led to the proliferation of new ale beer breweries in the Netherlands with alternative identities to the incumbent breweries.

In conceptual terms, we found that when the Dutch beer brewing field became increasingly dominated by a single logic and increasingly monistic in terms of identities and practices, a latent resource environment emerged that included carriers of dormant

logics. When the discovery of outfield exemplars directed attention to the existence of these dormant elements, a process of logic re-emergence was set in play that led to the re-awakening, re-dressing, and re-manifesting of dormant field logics. These findings extend current ideas about cyclical patterns in the waxing and waning of logics in fields (Goodrick & Reay, 2011; Ruef & Patterson, 2009). When one institutional order becomes overly dominant in determining the rules of the game in a field, the field becomes unstable and internal pressures arise that lead other institutional orders to “move back in”. The historical analysis in this study suggests that the history of the field is characterized by sequential periods in which different logics carried by different actor groups temporarily prevailed in the race for dominance. Periods dominated by actors emphasizing profit and perfection through innovation followed long periods in which central actors focused on conservation and aestheticism, only to be followed by periods in which the re-establishment of actor groups led again to the waxing of these earlier logics, possibly on the coattails of broader societal developments. This may be how progress unfolds in organizational fields, with pressures towards monism providing the necessary conditions for processes of emergence and change that build on elements from past configurations.

#### **4.6.2 Emergence of Organizations and Markets in Mature Fields**

Finally, this study contributes to our understanding of emergence in mature organizational fields (Padgett & Powell, 2012; Greenwood & Suddaby, 2006; Rao et al., 2003). In our study, we identified two structural sources that catalyzed emergence processes: *infield detritus* and *outfield exemplars*. These endogenous and exogenous sources appear to be necessary requirements for emergence processes to unfold successfully. Our findings also imply that the very processes that lead a mature field to become monistic, paradoxically create the sources for its subsequent change at later stages (cf. Schneiberg, 2007). In the first place, isomorphic processes that fix a field on a monistic path lead to the accumulation of infield cultural detritus that can provide actors with the necessary motivation and resources to challenge the status quo, establish themselves in central positions in the field, and encourage central actors to change. In the case of Dutch beer brewing, we found that actors striving for change derived impetus from: (1) the presence of an infield foil in the form of the large Pilsner breweries, facilitating the

construction of a new collective identity, (2) the availability of legitimated symbolic organizational attributes from ancestral beer breweries, accumulated and stored in the form of cultural detritus, and (3) access to recyclable technical organizational material left behind by dissolved ancestral breweries or scale-advantage seeking incumbent breweries, accumulating as technical detritus. However, actors also derived impetus from external sources. Specifically, outfield impetus appeared in the form of an available set of outfield exemplars at the field, organizational, and product level that provided impetus for action at different stages in the logic emergence process. First, the pioneering pub owners derived impetus from the availability of alternative beer types in neighboring countries. Second, the founders of *PINT* derived impetus from the exemplary beer brewing industries in the U.K. and Belgium, as well as from the historical configurations of the Dutch beer brewing industry. Third, the founders of new beer breweries derived impetus from the exemplary beer breweries in neighboring countries and exemplary ancestral organizations that were active in the Netherlands.

In conceptual terms, this study shows how the sources behind emerging pluralism are both endogenous, in the form of accumulating detritus that provide latent motivation and resources for actors to innovate, as well as exogenous, in the form of available outfield exemplars that provide successful blueprints of alternative organizational forms and field configurations. Our study thus suggests that emergence is not driven by isolated exogenous shocks, but rather by the subtle interaction of endogenous and exogenous sources that provide impetus for off-path organizing.

These findings extend ideas about the “structural vulnerability” of systems toward tipping (Padgett & Powell, 2012: 26) and have implications for future research. First, the presence of dormant logics attached to peripheral actors and cultural detritus appears to be an important aspect that can make organizational fields vulnerable toward tipping. Our study suggests that actors that were recently pushed toward the periphery of the field are latently “entangled” (McKelvey, 2002) since they share similar historical experiences, related to the disappearance of local traditional beer breweries. Once awareness of this “correlated history” (McKelvey, 2002) grows, through the exposure to alternative field goals and the construction of a common foil, this entanglement forms the basis of successful mobilization of social movement activity. Subsequently, cultural detritus



facilitates the necessary identity work required for tipping to actually occur. In short, structural vulnerability of a field toward tipping can be found in the presence of dormant institutional logics.

Future research could focus on the effects of detritus on emergence and renewal in other fields. Beer brewing is an example of a field prone towards cultural or even conspicuous consumption and with relatively low barriers to entry. An interesting question is to what extent cultural detritus also plays a role in fields that are markedly less prone to cultural consumption and that have higher barriers to entry. Retail banking, machine building, and the passenger airline industry are cases in point. Second, the structural vulnerability of fields might only lead to tipping in the presence of outfield exemplars, the blueprints of which diffuse gradually through a field when ties are established between infield and outfield actors. Whereas our study only provides modest insights into these processes, future research could study the dynamics of emergence across multiple fields. The question of how emergence activities like social movement activity and new organizational founding travels across fields remains largely unanswered to date. In the case of Dutch beer brewing, social movement activity in the U.K. and resilience of alternative organizational forms in Belgium provided exogenous sources for change. This leads us to believe that subtle differences in timing of emergence processes in fields provide insight into the direction and ultimate source of a “trickle-down” effect. Comparing the sources of emergence in other fields, in this case the British and Belgian brewing industry for instance, is likely to provide deeper insight into how interactions between infield and outfield sources catalyze processes of emergence.

## Chapter 5. Discussion and Conclusion

### 5.1 Implications for Theory on Industry Renewal

In this dissertation I have examined the process of industry renewal through three different empirical studies of the Dutch beer brewing industry. Upfront, I isolated three separate, but related, mechanisms of renewal through which mature industries may transform from an impoverished state to a renewed state. Each of the empirical studies primarily addressed one specific mechanism while having secondary implications for our understanding of the other mechanisms.

*Implications of Study 1:* In the first study, I examined the process of organizational identity emergence through a multiple case study of 59 newly founded breweries in the Netherlands. Based on my qualitative data, I proposed a two-stage model of organizational identity emergence. I showed how during a first, pre-founding stage, a reservoir of legitimate identity claims is structurally determined by three properties of the organization and its environment; (1) the identities of the founders, (2) the characteristics of local audiences, and (3) the attributes of the active industry peers around the time of founding. During a second, post-founding, stage, organizational members may exert agency by selecting, from the reservoir of legitimate identity claims, those claims that they wish to communicate to organizational audiences. Besides the implications of this work for the organizational identity literature (Albert & Whetten, 1985; Gioia, Patvardhan, Hamilton, & Corley, 2013; Glynn, 2008; Ravasi & Schultz, 2006; Schultz & Maguire, 2012), which I discussed in Chapter 3, these ideas have implications for our understanding of the process of industry renewal and, in particular, for one mechanism: the process of organizational identity diversification.

In order to make these implications clear, I will start by extending the theoretical model of organizational identity emergence from the organizational level to the industry level. This implies that the three properties of the organization-environment interface, as

depicted in the original model—founder identities, audience characteristics, and peer attributes—are now regarded as industry level properties. We can then think about the variety in the set of founder identities, audience characteristics or peer attributes that are at play within a specific industry at a particular point in time. Collectively these sets of properties make up the identity reservoir that covers the entire spectrum of available legitimate identity claims in an industry. Recall that in my definition of industry renewal in Chapter 2, I discussed how this involves a transition from organizational identity homogeneity to organizational identity heterogeneity at the industry level. Extrapolating this to the industry-level model of organizational identity emergence, leads to the following proposition:

*Proposition 1: Industry renewal through the diversification of organizational identities requires an increase in variety of the identities of (a) organizational founders, (b) local audiences, and (c) organizational peers in play.*

This proposition poses new questions. Why and how will mature industries experience an increase in the variety of identities of organizational founders, local audiences and organizational peers in play? In principle, these are questions that I addressed in the other two empirical studies. I will therefore provide specific answers to these questions below when I discuss the implications of these studies. However, at this point, I think it is worthwhile to make more general observations regarding this question. In particular, I propose that it is possible to conceive of properties of an industry that may pose structural obstacles to identity diversification. One can think about the institutional context, such as (a) the political environment, (b) industry regulation and (c) ties with other industries. First, the political environment may inhibit the entry of founders with alternative identities. For example, during the socialist era in Eastern Europe, many industries, such as the newspaper industry in Bulgaria, were controlled by the state (Dobrev, 2001; Stark, 1992). This led to a structural obstacle for the entrance of founders with alternative identities. As such, I propose:

*Proposition 1a: Industry renewal through organizational identity diversification is more likely to occur in industries embedded within democratic environments.*

Second, industry regulation may inhibit the entry of founders with alternative identities and the emergence of new organizations that are intertwined with different geographical regions. For example, due to regulation, organizations in the aircraft industry have to conform to many standards regarding safety and are destined to be set-up at a large-scale. This may inhibit entrepreneurship in general, as the barriers to entry are high. However, this may also inhibit the type of founders that will enter, as successful founding requires extensive training in the regulatory system. Finally, the large-scale threshold may inhibit the absorption of identity elements from new geographic regions, as new organizations may have to directly appeal to an international audience. This leads to the following proposition:

*Proposition 1b: Industry renewal through organizational identity diversification is more likely to occur in industries with low levels of regulation.*

Third and finally, the connectedness of the industry to other industries may also affect the likelihood with which renewal is to occur. When industries are homogenous, potential founders may need to look externally for peers with alternative identities that they can emulate. This is less likely to occur in industries that are isolated. Imagine an extreme situation: industries in North Korea. Even if the political environment suddenly would allow entrepreneurial activity, the lack of exposure to external industries for an extended period of time will limit an individual's awareness of the potential variety of organizational blueprints. A concentrated, global, industry, such as the aircraft industry, also suffers from this problem. Players in this industry may only look at the industry's past for inspiration for the creation of alternative types of organizations. As such, I propose:

*Proposition 1c: Industry renewal through organizational identity diversification is more likely to occur in industries with high exposure to a broad set of other industries.*

*Implications of Study 2:* In the second study, I examined the determinants of successful organizational founding in a mature industry through quantitative modeling that was further backed-up by rich qualitative data. Our event-history model of localized organizational founding events shows that successful organizational founding was more likely to occur in municipalities that had ancestral breweries, either early or more recently. In a qualitative analysis of the sources used for the construction of new organizational elements for all 178 newly founded Dutch beer breweries, we find that in a substantial number of instances founders made use of organizational elements from ancestral breweries. We use these findings to develop a theory of organizational detritus recycling, arguing that dissolving organizations leave behind elements that may continue to carry both technical and symbolic value for descendant organizations. I will elaborate here on the implications for our understanding of industry renewal that were already briefly addressed in Chapter 4. This study, primarily, has implications for one mechanism of renewal in mature industries, namely: successful organizational founding.

The overarching insight emanating from the second study is that barriers to entry in mature industries may be lowered when founders are able to make use of technical and symbolic elements from other organizations and that such “spillovers” may also occur “de antiquo” (Dobrev, 2001). The idea of de antiquo spillovers suggests that it is the process of organizational destruction that may create the resources for subsequent successful organizational founding. In Chapter 4, I forward a theory that explains how remnants of ancestral organizations may continue to be valuable for descendant organizations. I distinguish between technical and cultural detritus that is left behind by ancestral organizations and argue that while the technical value of organizational remnants will decay, the symbolic value of organizational elements may actually increase. Founders with access to organizational detritus will be able to reduce their technical start-up costs and appeal more effectively to local customer bases, which increases the likelihood of successful founding. Translating this to the industry level, I propose:

*Proposition 2: Industry renewal through successful organizational founding is more likely when the industry is rich in organizational detritus.*

This proposition raises the additional question of how organizational remnants may continue to be valuable for descendant organizations over time. This is a question that is difficult to answer. One problem is that value may often be in the eye of the beholder. However, we may be able to talk about general patterns in the evolution of *potential* value of different kinds of organizational elements. A starting point is provided in the second empirical study.

In Chapter 4, I make a distinction between technical and symbolic value of organizational remnants and argue that these two types of value evolve along different trajectories. I propose that where organizational remnants are likely to deteriorate in technical value over time, they are likely to gain in symbolic value over time. The increase in symbolic value may require further explanation. I start here from the idea that organizational failure, typically, is a negative event. As a consequence, elements of the organizations may be stigmatized. Think about the brand names, but also potentially the employees. Who wants to hire a former executive of Lehman Brothers? Next, I argue that, over time, this stigma wears off, due to the imperfect functioning of memory systems. Attention shifts to other issues or other failing organizations, making the specific event of organizational failure less pronounced. As such, over a long enough stretch of time most of these events will be forgotten and the stigma associated with organizational remnants is likely to be annulled. When stigma wears off, the positive properties of cultural detritus begin to dominate producing great opportunities for cultural entrepreneurship (Lounsbury & Glynn, 2001).

The use of organizational elements from local ancestral organizations can help founders craft stories that resonate with their local audiences. Rather than creating new organizational elements (e.g. new brand names), founders can “borrow” pre-existing elements and thereby, in a sense, acquire a past where they did not have one before. Over time, as audience members have an increasingly imperfect recollection of the ancestral organizations, the opportunity for agency increases. Founders can make use of the remnants of ancestral organizations in more creative ways without suffering any legitimacy penalties associated with perceived inauthentic use of organizational detritus.

In order to better understand the potential implications of my theory of detritus recycling for industry renewal, there is a need to extend these ideas to the industry level.

Similar to the first mechanism of industry renewal, the diversification of organizational identities, there may be structural aspects of an industry that determine the degree to which industries are sensitive to renewal through detritus recycling. Here, I forward predictions for two structural properties of industries that may enhance the chances for renewal occurring through detritus recycling.

First, I make a distinction between cultural industries and technical industries and argue that the former are more likely to be rich in organizational detritus and are thus more likely to experience renewal. In cultural industries—i.e. industries in which cultural consumption is the norm (Bourdieu, 1993)—both the symbolic and technical value of organizational remnants is likely to be higher. That the symbolic value of organizational remnants is higher in cultural industries may seem quite obvious. In these industries, audiences pay more attention to organizational aspects that go beyond the mere technical functions of the organization (Selznick, 1949). For example, the use of a traditional dish in the restaurant industry will have greater symbolic pay-off than the use of floppy disks in the file storage industry. That the technical value of organizational remnants is higher in cultural industries may seem less obvious.

My argument is that this depends on (1) the rate of technological change and (2) the intertwined nature of technical and symbolic value. First, with a higher rate of technological change, there is more rapid deterioration of technical value. Intel chips from five years ago have much lower value than specific beer ingredients that were used five years ago. In technical industries, it is not only the physical deterioration of organizational elements that decreases the technical value, but also the relative performance of technologies compared to newer technologies. This effect is arguably smaller in cultural industries. Second, when organizational detritus is used for symbolic purposes, a window opens for the re-emergence of outdated technologies. The case of the re-emergence of traditional watch making in Switzerland, as documented by Raffaelli (2013), can be used as a good example. Here, market concentration around “modern” digital technologies provided Swiss watchmakers with the opportunity to distinguish themselves by playing up their long tradition of watch making. Due to the growing market for traditional analogue watches, any abandoned production equipment gains in technical value as long as it is not significantly affected by physical deterioration.

In light of these arguments and examples, I propose:

*Proposition 2a: Cultural industries are more likely to be rich in organizational detritus and, as such, are more likely to experience renewal.*

Apart from the degree of cultural consumption in industries, another important structural aspect that may affect an industry's vulnerability to organizational detritus-driven renewal is the pattern of historical organizational shakeouts. In principle, industries that have experienced more substantial shakeouts—i.e. a higher number of organizational failures—are more detritus rich and thus more likely to experience renewal. However, an interesting qualification of this statement can be made based on the distinction between the different types of value associated with organizational remnants. Ideally, to have the most fertile soil for successful organizational founding, an industry would be rich in both technical and cultural detritus. Since technical detritus diminishes in value over time, while cultural detritus increases in value over time, ideally an industry would have both recent and early shakeouts. The Dutch beer brewing industry is an extreme example of such an industry. The long, but volatile history of industrial prosperity and decline went hand in hand with multiple shakeouts. As such, there is a vast pool of highly potent symbolic material available from ancestral breweries that disappeared many centuries ago as well as a significant pool of highly functional technical material from recent brewery failures.

As such, I propose:

*Proposition 2b: Industries with both recent and early shake-outs are more rich in organizational detritus and, as such, are more likely to experience renewal.*

*Implications of Study 3:* In the third and final study, I examined the “production” of entrepreneurs in the Dutch beer brewing industry on the basis of rich qualitative data. The study consisted of three parts. First, I found that the diversification in organizational identities could be related to an increased plurality of “institutional logics” (Thornton et al., 2012). Second, I proposed that these logics did not constitute new ways of thinking, but instead were returning old ways of thinking—and thus could be described as dormant



logics that had re-emerged. Third, I used my qualitative data to ground a three-stage process model of logic re-emergence, involving the re-awakening, re-dressing and re-manifestation of dormant logics, which went hand in hand with the production of entrepreneurs.

The study had three main findings that are relevant for our understanding of the role of entrepreneurial mobilization in industry renewal. First, the idea of dormant logics implies that impoverished industries may contain, albeit in peripheral positions, individual actors with alternative approaches who may engage in entrepreneurial activity when re-mobilized. For example, even though the Dutch beer brewing industry around 1980 was largely controlled by managers with sales and finance backgrounds that determined much of the industry's structure, brew masters, consumers and brewer's families with alternative ideas about what beer should be about continued to attend to the evolution of the industry and grasped the opportunity to regain more central positions when there was growing demand for alternative beer.

Impoverished industries may vary in the degree to which they harbor such peripheral actors, which may be an important factor determining the structural vulnerability for renewal. The Dutch banking industry, for example, may appear to harbor fewer actors adhering to dormant logics than the Dutch beer brewing industry, which reduces the likelihood of successful mobilization of entrepreneurs. The struggle encountered by an initiative to start a new cooperative bank in the Netherlands is indicative of this. After the public announcement of the initiators to mobilize members for the new cooperative, *De Financiële Coöperatie* (Hofs, 2013), they were heavily criticized in mainstream media for their lack of experience in the banking industry (Teunis, 2013). In comparison, I found that the new entrepreneurs in the Dutch beer brewing industry often had substantial beer brewing experience at the active incumbent brewers or at ancestral breweries.

These arguments and examples lead me to formulate the following proposition regarding the role of dormant logics and the production of entrepreneurs:

*Proposition 3: Industry renewal through the production of entrepreneurs is more likely in an industry that harbors actors adhering to dormant logics.*

A second relevant finding of the third study is that the success of mobilizing peripheral actor groups appeared to depend on the degree to which social movement organizations can effectively appeal to a plurality of alternative logics (Heaney & Rojas, 2014). An important success factor for entrepreneurial production through social movements is the initial diversity in founding attempts (Greve et al., 2006). In order to effectively appeal to a diverse set of potential entrepreneurs, social movement actors need to construct a strong, collective identity that allows for a “re-dressing” of alternative dormant logics.

In the case of the Dutch beer brewing industry, I observed an early balance between identity elements pertaining to three different dormant logics (aesthetics, conservation, and perfection) in texts produced by social movement actors. This was most visible in early texts produced by the consumer association *PINT* that described what alternative beer may be like. They promoted the production of what they initially labeled as “traditional beer” and described that this may allow for greater experimentation and a greater variety in tastes (aesthetics logic), allow for the restoration and conservation of Dutch beer brewing culture (conservation logic), and was technically superior to modern beer that used chemicals to speed up the production process (perfection logic).

These kinds of texts explain why the “microbrewery movement” in the Netherlands appealed to individuals with a wide variety of identities (from professional brew masters, to interested consumers, to traditional brewer’s families) and ultimately explain the remarkable diversity in organizational identities that I encountered around the end of my observation window in 2012. It is likely that alternative collective identities that fail to appeal to a broad range of logics will be less successful as they will struggle to reach a critical mass of potential entrepreneurs to set in motion a density dependent legitimation process (Carroll & Hannan, 1989).

As such, I propose:

*Proposition 3a: The production of entrepreneurs in impoverished industries will be more successful when a new collective identity emerges that has concrete appeal to multiple logics.*

A third and final relevant finding following from the third study is that entrepreneurial mobilization in impoverished industries appears to be a gradual process, requiring distributed agency (Battilana et al., 2009). My process model of logic re-emergence suggests a discursive, but sequential, relationship between different sets of actors engaged in a collective “work project” without any of them being fully intentional or aware of their role. Apart from successful entrepreneurs being produced by social movement organizations, my study also shows how social movement organizations themselves need to be produced by experimenting actors that create awareness about social movement opportunities. And where social movement organizations may come closest to deserving the label of “institutional entrepreneur” as they are likely to display the most significant degree of strategic intent and political skill (Aldrich, 2011; Fligstein, 1997), experimenting actors are likely to engage in potentially impactful projects with very limited strategic intent.

The examples of the pioneering specialty beer pubs in the Netherlands are a case in point. The actions of the owners of these pubs to import Belgian ale beer and other foreign specialty beers, appeared to significantly contribute to the collective awareness of the impoverished situation of the Dutch beer brewing industry which ultimately inspired social movement activities. An important observation though was that these actors appeared to be very modest in the means with which they pursued these activities and were surprised by the widespread interest in their alternative offerings. In the first place, they appeared to follow their passion for foreign alternative beers that they had come across during holidays by experimenting with importing and offering such beers in small quantities in their pubs. Such experimenting actors appear to be vital in the renewal of impoverished industries. I thus propose:

*Proposition 3b: The production of entrepreneurs in impoverished industries requires, in the first place, the production of mobilizing initiatives by experimenting actors.*

An important question following from this proposition is what structural features of an impoverished industry may facilitate or inhibit experimentation. This leads back to

propositions 1a, 1b, and 1c that also seem to apply here. Impoverished industries embedded in democratic environments, with lower degrees of regulation and high exposure to a broad set of other industries are more likely to see more experimentation and thus are more likely to experience renewal.

## **5.2 Limitations**

Through the development of the propositions above I have directly addressed all three research questions that were central to this dissertation and, as such, have attempted to forward our understanding of the process of industry renewal. Although I believe this dissertation has important implications for current research, it is not without limitations. One obvious limitation of this dissertation is that it is entirely based on one empirical context, the Dutch beer brewing industry. Despite the fact that I have built on insights from other studies that documented similar processes in different contexts, one may wonder the extent to which the main findings of my dissertation extend beyond Dutch beer brewing. Naturally, this is an issue that calls for more research on industry renewal in other contexts. However, to address this limitation, in the discussion I have focused on a range of findings that I believe are likely to have implications beyond the Dutch beer-brewing context. Collectively, the set of propositions that I have developed here may be seen as describing the scope conditions of my theory of industry renewal. Ultimately, these propositions depict which impoverished industries may have higher structural vulnerability for renewal and why.

## **5.3 Future Research**

### ***5.3.1 The Role of Organizational Destruction in Organizational Evolution***

An important and exciting avenue for research that I see following from this dissertation is a more extensive investigation of the role of destruction in organizational evolution. In the current literature, the role of destruction is typically regarded as a mere

by-product of evolution. However, my work suggests that it may be much more central than is commonly described.

The idea of destruction as a by-product of evolution harks back to the popular notion of “creative destruction” coined by early 19<sup>th</sup> century political economists (Schumpeter, 1942) and most commonly associated with the work of Schumpeter. Schumpeter’s basic argument comes down to the idea that renewal occurs through a process of replacement, in which the emergence of a new population of organizations will lead to the failure of a pre-existent population of organizations. The notion of destruction thus refers to the failure of the pre-existing population due to the “creative” power of the new population.

The findings of my dissertation suggest an alternative interpretation of the term creative destruction. They suggest that destruction is not a mere by-product of creative forces; it appears to simultaneously be an important antecedent of a new wave of creative forces. Organizational destruction frees up material and immaterial resources, which I have referred to as organizational detritus, that may contribute to the emergence of a new population of organizations that challenges the very population responsible for the destruction.

A comprehensive perspective on the role of organizational destruction in organizational evolution, calls for an eclectic theory of detritus accumulation, conservation and recycling. Such a theory, I argue, would require (1) a strengthening of the definition of organizational detritus and the various types, and (2) improved understanding of the accumulation and conservation of detritus.

*Emotional Detritus as a Third Type of Organizational Detritus.* First, apart from technical and cultural detritus, I think one could conceive of another type of organizational detritus that may play an important role in the process of industry renewal; emotional detritus. Emotional detritus may refer to the sentiments that are left behind in organizational audiences after the dissolution of an organization. When organizations fail, organizational audiences that interacted frequently with them—such as employees or loyal customers—will experience a sense of identity loss, thus triggering sentiments (Howard-Grenville, Metzger, & Meyer, 2013). These sentiments may include nostalgic feelings about the organization, but also anger toward another party that may be blame for the

organizational failure. At the collective level this may fuel what Carroll and colleagues refer to as “anti-mass production sentiment” (Carroll et al., 2002). However, at the individual level the potential for restoring a part of one’s identity that was previously lost or taken away may be a powerful motivating factor.

The value of this form of detritus is thus different from technical and cultural detritus, which, in the first place, facilitate the efficient and effective creation of a new organization, enhancing its potential for success. Instead, emotional detritus can contribute to the production of entrepreneurs when it is engaged in a newly emerging collective identity. There are a few studies that have addressed this phenomenon indirectly (Carroll et al., 2002; Howard-Grenville et al., 2013; Walsh & Bartunek, 2011), but more research is needed to understand how identity loss and the potential for restoration affect entrepreneurial motivation with industry level outcomes.

*Toward a Theory of Detritus Accumulation, Conservation, and Recycling.* A second avenue for future research on detritus is to examine the processes of detritus accumulation and conservation more directly. In this dissertation, I have primarily focused on the process of detritus recycling without explicitly theorizing about how detritus accumulates and may be conserved. The issue of detritus accumulation is interesting for at least two reasons. One has to do with the number of organizational failures, the other with the type of failures. An interesting avenue is to further examine and explain the density-dependent sensitivity of the effect of available detritus on successful founding: is more always better? The findings of my second study indicate that this may not be the case. It is possible that sensitivity differs depending on the type of detritus. For technical detritus more may indeed be better. As access to more cheaply available production equipment and skilled labor, for instance, is likely to increase rates of successful founding. However, for cultural detritus this may not be the case. Geographic communities are likely to have a limited carrying capacity for new organizations with identities based on past local ancestral organizations. Where with technical detritus the benefits are equal regardless whether or not one is the first, second, or fifth entrepreneur in a specific area, with cultural detritus the benefits diminish exponentially when more organizations in a particular area are incorporating it in their identities.

Another interesting avenue is to explain how differences in the type of

organizational failure may have a differing impact on the richness of available detritus. A simple distinction can be made between organizational failures through bankruptcy and organizational failures through merger and acquisition. The former may leave behind richer technical detritus than the latter since the acquiring party is likely to conserve the higher quality organizational elements for its own purposes. However, the cultural detritus of the former may initially be of limited value due to stronger stigmatization associated with the bankruptcy. At the same time, cultural detritus may not be freely available when left behind through merger and acquisition, as the acquiring party typically controls the intellectual property rights associated with the symbolic elements of the failing organization. Finally, failure through merger and acquisition may produce richer emotional detritus, as there is a clear third party to blame for experienced identity loss. Future research may thus explore how this process of detritus release is different depending on the type of failures occurring in industries.

A final interesting issue to explore in future research is the issue of detritus conservation: how is detritus stored in industries? In order for descendant organizational founders to benefit from organizational elements left behind by ancestral organizations, these elements need to be stored somehow. For technical detritus this is less of an issue than for cultural, and potentially emotional, detritus. As the findings of previous studies in industrial organization suggest, technical detritus is often recycled back into the system quickly, making conservation less of an issue. More interestingly is the question how the value of cultural elements may be conserved. In terms of cultural detritus, storage is dependent on industry archivists. In the Dutch beer brewing industry, for example, I found that many of the symbolic elements of ancestral breweries were documented in texts conserved in municipal archives. The recent social movement initiatives in this industries also included an organized community of collectors that, basically, functioned as industry archeologists. These individuals dug into archives, created websites and wrote books, thereby providing potential entrepreneurs access to cultural detritus. The role of such industry archivist in the evolution of industries is an interesting, but understudied, issue.

### 5.3.2 *Implications for Practice: Application of the Main Findings to the Dutch Banking Industry*

So what? This is the final question I would like to answer here. Why is it interesting to study industry renewal and what is the practical relevance of the findings of this dissertation? Apart from an extensive understanding the revival of the Dutch beer brewing industry, what can be learned from this dissertation that is applicable in other contexts? I will answer this question by discussing implications for one general sector that is currently under societal pressure to renew: the banking sector.

After the global financial crisis, there is intense societal pressure on the banking sector to renew. Yet, audiences are concerned that renewal is not occurring at the pace required to prevent another major crisis or may not be occurring at all (Luyendijk, 2012). Although there are concrete signs that renewal is occurring (albeit mainly documented in the U.S.) (Marquis & Lounsbury, 2007; Schneiberg, 2013), let us assume that audience observations are correct and that renewal is indeed not occurring in such a way to prevent another crisis. We can then discuss what policy makers may be able to do to catalyze renewal, in case this is considered a problem, and what individual organizational actors may do in order to successfully promote alternatives.

Following the process model forwarded in my third empirical study, policy makers may direct action at three different stages of renewal depending on their interpretation of where renewal is stalling. First, one may analyze the extent to which there are sufficient potential entrepreneurs that are exposed to and sensitive to organizational alternatives (corresponding to the stage of logic re-awakening). Without a critical mass of potential entrepreneurs that are interested in organizational alternatives, renewal attempts are likely to fail in a very early stage or may not emerge at all. This may be the case for the Dutch banking industry, as it appears to have seen very limited entrepreneurial activity for the majority of a century (Boschma & Hartog, 2013) while this may also be the case for surrounding countries. Notwithstanding any signs of banks appearing to be structured as alternatives to the dominant corporative form (e.g. *Rabobank*, *Triodos*), let us assume that isomorphic pressures are evaluated as being too strong for alternatives to emerge and proliferate. In such a case, policy makers may encourage the accumulation and dissemination of knowledge about banking alternatives through studies of historic Dutch



banks or foreign banking systems. In the case of the Dutch beer brewing industry, potential founders were exposed to alternative ways of thinking about beer production and consumption through the dissemination of knowledge about alternative beer brewing practices from Belgium, the U.K. and Germany, but also from historic Dutch beer breweries.

Second, one may analyze the extent to which there is sufficient organizational capability to mobilize potential entrepreneurs interested in banking alternatives. This also may be an issue inhibiting renewal of the Dutch banking industry as the only visible founding initiative of an alternative bank struggles to assemble a sufficient number of founding members (Banken.nl, 2014). Although, similarly to the Dutch microbrewery movement, this organizational actor uses anti-establishment rhetoric to appeal to audience sentiments and acquire social support, it faces harsh criticism directed at the professional expertise of the founders that threatens social legitimacy and support. As research has shown that successful social movement mobilization often depends on the support of high-profile proponents (Rao et al., 2003), policy makers may consider making public statements in which they provide support for new banking initiatives.

Third and finally, organizational actors focused on launching alternative forms may enhance their chances for success by taking note of the findings of the second empirical study on the role of organizational detritus. For example, to use the case of the *Financiële Coöperatie* once more, the founders of this alternative bank may overcome their legitimacy threat through cultural entrepreneurship (Lounsbury & Glynn, 2001) by aligning themselves with ancestral banks of alternative forms. The legitimacy threat they currently face appears to be a classic example of a liability of newness. Audiences question the legitimacy of the founding members, and, as a result, the initiative struggles to assemble a sufficient number of founding members. By the explicit alignment of the initiative with an ancestral bank of alternative form through the incorporation of symbolic elements (such as names and logos) and the integration of references to the ancestral bank in the founding story, the bank may appear less novel to organizational audiences and more successful in assembling essential support.

This application of my findings to the Dutch banking industry shows the practical relevance of my dissertation and the study of industry renewal in general. One can envision

similar applications to other important sectors that are currently facing great societal pressure toward renewal such as the energy industry or the food industry. Understanding industry renewal should be a major topic for academics and practitioners. No change no progress.

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## Summary

Many mature industries have recently experienced a remarkable revival. Yet, other important industries appear to remain impervious to change. While the evolution of industries is an important topic in the industrial organization and organizational sociology literature, theorists struggle to explain the determinants of industry renewal. In particular, there is a dearth in theories that explain (1) the formation of new organizational identities in mature industries, (2) the successful founding of new organizations and (3) the mobilization of entrepreneurs.

In this dissertation, I build on the organizational sociology literature to forward an endogenous view on industry renewal arguing that the vulnerability of an industry toward renewal is determined by internal structural properties of the industry. Findings from three empirical studies of the recent revival of the Dutch beer brewing industry suggest that renewal is more likely in industries that (1) provide actors with a diverse reservoir of authentic identity elements for the formation of new organizational identities, (2) contain a significant number of ancestral organizations that left behind recyclable organizational elements, and (3) harbor a substantial number of actors that adhere to alternative ways of thinking compared to the industry's "modus operandi".

Jointly, these findings demonstrate the potency of research under the eclectic umbrella of organizational sociology to provide explanations for the structural vulnerability of industries toward renewal. In particular, this dissertation calls for more research on the role of organizational destruction in industry evolution. Indeed, destruction appears to be an important generative process and an improved understanding of the role of destruction in industry renewal may be crucial for inspiring renewal in industries dominated by organizations that are too big to fail.

## Samenvatting (Dutch summary)

Vele volwassen industrieën hebben onlangs een opmerkelijke wederopleving meegemaakt. Echter, tegelijkertijd lijken andere belangrijke industrieën ongevoelig voor verandering. Hoewel de evolutie van industrieën een belangrijk onderwerp is binnen de industriële organisatie literatuur en de organisatiesociologie, blijven theoretici moeite hebben met het vinden van verklaringen voor de vernieuwing van industrieën. In het bijzonder, is er een tekort aan theorieën die verklaren (1) hoe nieuwe organisatie-identiteiten worden gevormd in volwassen industrieën, (2) hoe nieuwe succesvolle organisaties kunnen worden opgericht en (3) hoe nieuwe ondernemers succesvol kunnen worden gemobiliseerd.

In dit proefschrift bouw ik voort op de organisatiesociologie literatuur om een endogene kijk op industriële vernieuwing te geven, waarbinnen ik beargumenteer dat de kwetsbaarheid van een industrie voor vernieuwing wordt bepaald door interne structurele eigenschappen van de industrie. Bevindingen uit drie empirische studies over de recente opleving van de Nederlandse bier brouwerij-industrie suggereren dat de kans op vernieuwing groter is in sectoren die (1) spelers een divers reservoir bieden van authentieke identiteit elementen voor de vorming van nieuwe organisatie-identiteiten, die (2) een aanzienlijk aantal voorouderlijke organisaties bevatten die recyclebare organisatorische elementen achterlieten, en die (3) een groot aantal spelers herbergen die zich toeleggen op alternatieve manieren van denken in vergelijking met de industrie de "modus operandi".

Gezamenlijk tonen deze bevindingen de potentie aan van onderzoek onder de eclectische paraplu van de organisatiesociologie voor het bieden van verklaringen voor de structurele kwetsbaarheid van industrieën voor vernieuwing. In het bijzonder, pleit dit proefschrift voor meer onderzoek naar de rol van organisatorische vernietiging in industriële evolutie. Vernietiging lijkt inderdaad een belangrijk generatieve proces te zijn en een beter begrip van de rol van organisatorische vernietiging in industriële vernieuwing kan van cruciaal belang zijn om vernieuwing op gang te brengen in industriën die gedomineerd worden door "too big too fail" organisaties.

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Jochem J. Kroezen (1985) obtained his MPhil degree in Business Research from the Erasmus Research Institute of Management (ERIM), Erasmus University Rotterdam, The Netherlands. After completing his BSc in Sports Management & Marketing at the Amsterdam School of Economics (HES), studying Spanish in Granada, Spain, and working for the municipality of Amsterdam, Jochem entered the premaster program of the Rotterdam School of Management (RSM). He started his PhD-trajectory in 2009 at the Department of



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Jochem's general research interests center around the bi-directional relationship between organizations and society. What ties his research projects together is a deep interest in the long-term evolution of organizational fields, with a specific focus on the role of history, identity and geography. His PhD research focuses on change in established industries and demonstrates how industry history can function as a resource for social movements and entrepreneurial activity. He has expertise in qualitative research methods (NVIVO), multilevel event- history analysis, and meta analysis.

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**THE RENEWAL OF MATURE INDUSTRIES****AN EXAMINATION OF THE REVIVAL OF THE DUTCH BEER BREWING INDUSTRY**

Many mature industries have recently experienced a remarkable revival. Yet, other important industries appear to remain impervious to change. While the evolution of industries is an important topic in the industrial organization and organizational sociology literature, theorists struggle to explain the determinants of industry renewal. In particular, there is a dearth in theories that explain (1) the formation of new organizational identities in mature industries, (2) the successful founding of new organizations and (3) the mobilization of entrepreneurs.

In this dissertation, I build on the organizational sociology literature to forward an endogenous view on industry renewal arguing that the vulnerability of an industry toward renewal is determined by internal structural properties of the industry. Findings from three empirical studies of the recent revival of the Dutch beer brewing industry suggest that renewal is more likely in industries that (1) provide actors with a diverse reservoir of authentic identity elements for the formation of new organizational identities, (2) contain a significant number of ancestral organizations that left behind recyclable organizational elements, and (3) harbor a substantial number of actors that adhere to alternative ways of thinking compared to the industry's "modus operandi".

Jointly, these findings demonstrate the potency of research under the eclectic umbrella of organizational sociology to provide explanations for the structural vulnerability of industries toward renewal. In particular, this dissertation calls for more research on the role of organizational destruction in industry evolution. Indeed, destruction appears to be an important generative process and an improved understanding of the role of destruction in industry renewal may be crucial for inspiring renewal in industries dominated by organizations that are too big too fail.

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