Organizational Conformity and Survival
in Complex Institutional Environments

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ABSTRACT

Although scholars have been increasingly interested in organizational responses to complex institutional environments, we have limited understanding of the consequences such responses may have for organizations. In this paper, we argue that organizations that have established an institutional footprint by consistently demonstrating conformity to an institutional logic are more likely to be supported by resource holders and thus enjoy higher survival chances in complex institutional environments. The effect of institutional footprint on survival chances is expected to increase when an institutional logic gains dominance at the industry level. We test and find strong support for these arguments using population data on producer firms in the French film industry (1994–2008).

Keywords: Conformity, Survival, Institutional Complexity, Film Industry

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1. INTRODUCTION

In recent years, management and organizational scholars have been increasingly interested in the challenges that arise from complex institutional environments. Recognizing that modern organizations have to address the heterogeneous, often conflicting, external expectations of various stakeholders that impinge on their resource allocation decisions, researchers have explored how organizations respond to complexity (Greenwood, Diaz, Li, and Lorente, 2010; Kraatz and Block, 2008; Lee and Lounsbury, 2015). Dimensions such as legitimacy and urgency (Mitchell, Agle, and Wood; 1997; Eesley and Lenox, 2006), internal politics (Pache and Santos, 2010), resource dependence (Durand and Jourdan, 2012; Wry *et al.*, 2013), identity and strategic goals (Bundy, Shropshire, and Buchholtz (2013) have been argued to affect organizational responses to conflicting external prescriptions (Oliver, 1991).

Much less is known however about the consequences responses to complexity, in the form of conformity decisions, may have for organizations. In strategic management research, external conformity expectations have been typically considered as sources of nuisance to be addressed on a case-by-case basis. Pressures to conform to costly institutional demands (Philippe and Durand, 2011; Ritchie and Melnyk, 2012) are expected to drive firms away from optimal choices (Oliver, 1997), such that firms face a trade-off between the legitimacy advantages of conforming to external expectations (e.g., being socially responsible, environmentally efficient) and the benefits of deviating, such as greater efficiency (Deephouse, 1999) and higher inimitability (Jonsson and Regnér, 2009). This view relies on the assumptions that players in an industry largely agree on what is legitimate and what is not (consensus), and that each decision to conform to external expectations is made independent of past decisions (Eesley and Lenox, 2006). Yet, these assumptions are unlikely to hold in complex environments. Compliance with expectations of price-driven consumers, for instance, may fail to trigger any positive appreciation from eco-friendly activists. Conformity to the prescriptions of a group of stakeholders (e.g., Wall Street investors) might translate into deviance from others' expectations (e.g., local communities). For instance, when Microsoft ended its support to a Washington State antidiscrimination bill to avoid a boycott led by a conservative pastor, the firm damaged its relations with employees and gay and lesbian organizations (Barnett, 2007:810). In such contexts, firms' conformity decisions not only have immediate consequences, they also signal to key resource holders where the firm stands in arenas where different sets of rules, or institutional logics coexist (Thornton, Ocasio, and Lounsbury, 2012). Conformity decisions, in return,

shape the relationship between the firm and its stakeholders in a path dependent way (Barnett, 2007)—challenging the independence assumption.

In this paper, we examine the widespread case where no consensus exists about what is legitimate and what is not, and study how past conformity decisions shape survival chances. Survival is a neutral sustainability indicator in that it is not a logic-embedded performance indicator; for instance, firms operating under a market logic may focus on profitability while firms pursuing a professional logic may aim at product excellence, yet they will differ in their ability to survive (Barney, 1986a; Oliver, 1997). Our premise is that firms must transact with primary stakeholders–the agents controlling critical resources–to operate and survive (Pfeffer and Salancik, 1978:43). In institutionally complex environments, stakeholders face considerable uncertainty regarding how the organization will behave, independent of how capable the organization might be (Mishina, Block, and Mannor, 2012). At least two dimensions critical to the firm-stakeholder relationship (Bundy, Shropshire, and Buchholtz, 2013) are uncertain: what the firm is (social identity) and what the objectives it pursues are (goals). Firms' past resource allocation decisions, we argue, constitute critical cues stakeholders may use to reduce uncertainty: the more firms have consistently conformed with one of the logics available in the industry, the less uncertain their projected social identity and goals are (Zuckerman, 1999). Because they have established a clear institutional footprint, we expect such firms to have an advantage over other firms when transacting resources with stakeholders, increasing their likelihood to survive.

We test these arguments using evidence from the French film industry, a setting particularly appropriate to study how institutional complexity affects organizations. First, the industry is organized around two main institutional logics that are salient to firms and stakeholders, and present conflicting demands to producer firms. An offspring of the *Nouvelle Vague* movement (New Wave) of the late 1950s, the *auteurs logic* primarily conceives filmmaking as a form of art and sees aesthetics prowess as the main driver of legitimacy: production firms are legitimate to the extent that their work is recognized and distinguished by an elite group of critics and professional experts. By contrast, the *entertainers logic* emphasizes the hedonic mission of filmmaking and sees popular appreciation (i.e., market success) as the main source of legitimacy: firms are legitimate to the extent that they produce box office hits. Second, the stringent disclosure requirements placed on film producers in France means that data on the industry is unusually detailed and complete. We combine qualitative evidence on the industry with a unique population dataset including the exhaustive set of 17,707 contracts among firms involved in film production to faithfully trace firm activities and relationships in the industry between 1994 and 2008. We conclude by discussing how this study contributes to the literatures on institutional theory and competitive advantage.

2. THEORY

2.1 SECURING RESOURCES IN COMPLEX INSTITUTIONAL ENVIRONMENTS

Firms, as open systems, need to transact with their environment to secure the flow of resources necessary to operate and thrive. Resources are the set of tangible and intangible assets that allow the firm to perform its activities and produce its outputs (Wernerfelt, 1984). The primary stakeholders of the firm ('stakeholders' in what follows) are the organizations controlling the resources the firm needs to compete and operate, and whose ongoing participation and support is required for the firm to survive (Clarkson, 1995: 106). Resource dependence arguments suggest that firms need to form and maintain stable coalitions of support, and in that purpose have to align their activities with the interests of the coalitions' members (Pfeffer and Salancik, 1978). Stakeholder researchers make a related claim: firms may achieve economic efficiency by aligning the interests of shareholders with the interests of primary stakeholders (Freeman, Wicks, and Parmar, 2004; Ogden and Watson, 1999).

Past research shows that stakeholders' strategies, goals and interests are shaped by shared collective understandings (Wry, Cobb, and Aldrich, 2013; Zukin and DiMaggio, 1990) that vary with space and time and cross roles (e.g., investor, supplier). For instance, Fiss and Zajac (2004) find that shareholder values became increasingly pregnant in the German economy at the end of the 20th century. The rise of environmental concerns in western economies in recent decades offers another striking example of shifts in interests that transcend specific roles (Bansal and Roth, 2000). Recent work finds more evidence that stakeholders' expectations are not idiosyncratic, but shaped by broader systems of beliefs and values (Maurer, Bansal, and Crossan, 2011), also referred to as institutional logics (Friedland and Alford, 1991; Thornton and Ocasio, 1999). Located in space and time and embedded in higher societal orders (e.g., the market, the State, the corporation, the profession, religion, the family, the community), institutional logics are 'the socially constructed, historical patterns of material practices, assumptions, values, beliefs, and rules by which individuals produce and reproduce their material subsistence, organize time and space, and provide meaning to their social reality' (Thornton and Ocasio, 1999:804). As cultural beliefs and rules, logics shape the expectations of stakeholders about how firms should organize and behave, and define 'rules of the game' based on—usually implicit—beliefs, values, incentives, and assumptions about how to succeed (Dunn and Jones, 2010).

When several logics coexist or compete—a situation of institutional complexity that may be the norm rather than the exception (Schneiberg, 2007)— institutional factors are likely to weigh on firm-stakeholder relationships. Bundy *et al.* (2013) argue that two main dimensions shape how successfully firms and stakeholders interact. The *expressive* dimension relates to the actors' social identity, i.e. deeper meanings of what defines the organization and makes it unique (Bundy *et al.*, 2013: 354). The *instrumental* dimension relates to the rational pursuit of strategic organizational goals (Ansoff, 1980). Past

works have shown that institutional logics deeply shape both social identities and goals (Thornton *et al.*, 2012: 87). Rao, Monin, and Durand (2003) for instance document how the Classical and Nouvelle Cuisine logics were embodied in different chef and restaurant identities. Thornton (2002) reveals how the change from an editorial to a market logic in publishing shifted the emphasis of organizational goals from prestige and sales growth to short-term profits. Applied to stakeholders considering granting support to firms, the two dimensions are critical: before committing resources, stakeholders are likely to consider what the firms' social identity and strategic goals are, and whether they could fit with their own. In doing so, they face a critical information issue. Research on social identity in psychology (Tajfel and Turner, 1986) and sociology (Stryker, 1980) suggest that firms have multiple category identities (e.g., product segment, geography) and role identities (e.g., membership in industry associations, market position), whose hierarchy and salience are hard to discern from an outsider's perspective. Similarly, organizations have a variety of objectives (Cyert and March, 1963; Ocasio, 2011), making it difficult for external stakeholders to identify their primary goals.

2.2 INSTITUTIONAL FOOTPRINT AND SURVIVAL

In such as a setting, evidence of firm's past conformity to available logics may provide critical cues to the audience of stakeholders. Firms, as they operate and grow, make resource allocation decisions that provide external observers with hints about the logic they may instantiate, showing evidence of a form of character reputation (Mishina *et al.*, 2012) to critical resource holders. Consistent with past studies of firm conformity (e.g., Lounsbury, 2007; Jonsson and Regner, 2009), we focus here on product releases, which produce credible signals that involve material resource commitments and are observable by external stakeholders. As Barnett (2007) points out, firm-stakeholders relationships are best considered in an historical perspective: the accumulation through time of conformity decisions leaves a trail for external audiences to observe. We refer to the trail left by accumulated conformity decisions as the *institutional footprint* of the firm. Firms releasing product consistently recognized as being conformant to an institutional logic leave an institutional footprint, indicating consistent conformity to an institutional logic. Conversely organizations whose resource allocations are associated with different logics lack a readable institutional footprint.

The institutional footprint relates to the *consistency* of the firm's resource allocation decisions with respect to the institutional logics that coexist in the industry (Deephouse, 1999). Beyond individual conformity decisions, the institutional footprint is shaped by the historical trajectory of the firm in a complex institutional environment, and has a strong path dependent dimension (Mishina *et al.*, 2012). For example, mutual fund firms that have exclusively offered products oriented towards capital preservation and the intergenerational transfer of wealth establish a crisp institutional footprint that signals alignment with Boston's Trustee Logic to third parties and stakeholders; similarly firms focused on short-term return

funds set a clear institutional footprint indicating durable conformity to the New York's Performance logic. In the haute cuisine industry, restaurants demonstrating consistent conformity with either the Classical Cuisine logic or the Nouvelle Cuisine logic leave an institutional footprint that key resource holders –such as star chefs, critics, or customer bases– can observe and factor in when deciding to support (or not) the organization (Durand, Rao, and Monin, 2007). By contrast, restaurants that have historically navigated between Nouvelle and Classical cuisines leave more uncertain and ambiguous signals about their social identity and goals.

Because a clear institutional footprint contributes to dissipate the fundamental uncertainty stakeholders face when considering granting support to firms, it may facilitate the transaction of resources that are key to survival. From stakeholders' perspective, firms that have demonstrated consistent conformity with an institutional logic are likely to have a more readable and predictable social identity. Social identities form through categorization, identification and comparison processes (Rao, Davis and Ward, 2000). Past studies reveal how institutional logics profoundly shape social identities, as shared cognitive and normative orientations bound firms together (e.g., Lounsbury and Glynn, 2001). In complex environments, evidence of logic instantiation are salient markers of social identity, demarcating 'who we are' from 'who the others are' (Thornton et al., 2012:130). For instance, liberal arts college and research universities operate under different logics, projecting distinct identities to external parties (Kraatz and Zajac, 1996). Social identities are critical to the firm-stakeholders relationship. Differences in social identities are a well-documented source of conflict (Tajfel and Turner, 1979) that stakeholders may wish to identify before committing resources. By contrast, connections to other actors with similar identities (Stryker, 1980) are facilitated. The success of the firm-stakeholder relationship may also be at stake, as firms are more responsive to stakeholders' demand that resonate with their own social identity (Bundy et al., 2013).

For stakeholders, another area of uncertainty relates to the goals of the firm. Organizations have multiple and sometimes conflicting goals (Cyert and March 1963; Ocasio, 1997), particularly so in complex institutional environments. Because, goals are culturally embedded within alternative institutional logics (Thornton et al., 2012:87), firms that demonstrate alignment with one logic available in the industry may be perceived as having less uncertain goals. For instance, stakeholders may expect software makers that have only produced open source products to continue defining themselves as open source players and pursue goals embedded in the ethos of open source (O'Mahony and Bechky, 2008). By comparison, the goals of software makers that have been involved in both open source projects and traditional copyright-based products will be more uncertain. Goals are core to the firm-stakeholder relationship. The salience of stakeholder issues is tightly related to their perceived consistency or conflict with the firm's strategic frame (Bundy et al., 2013). Doubts about the goals of the organization are likely

to affect stakeholders' decisions to initiate or maintain support by committing resources. For instance, when Facebook acquired Oculus VR in March 2014, the influent maker of the *Minecraft* game withdrew support to the company and ended development projects for the Oculus virtual reality device arguing that 'Facebook is not a company of grass-roots tech enthusiasts (…) Their motives are too unclear and shifting' (Duckett, 2014). Because stakeholders will have lower uncertainty regarding their social identity and goals, we expect firms with a consistent track record of conformity decisions–an institutional footprint– to have a survival advantage over other firms in a complex institutional environment.

Hypothesis 1: All else being equal, the more firms have established an institutional footprint, the higher their survival chances are in complex institutional environments.

2.3 THE MODERATING EFFECT OF LOGIC DOMINANCE

Complex institutional environments are arenas where several logics compete. The various logics available may vary in terms of reach within the industry, and the set of resources available to support each logic may also differ (Sewell, 1992). In plural environments, logics command various levels of attention, and are supported by distinct group and interests (Dunn and Jones, 2010). Past works have emphasized cases where one logic dominate at a given point in time, such as for instance the editorial logic in the higher education publishing industry until the 1970s (Thornton and Ocasio, 1999), or in a given regional area, such as for example a pluralist or a corporatist logic (Vasudeva, Alexander, and Jones, 2015). Other studies document settings where two logics are in competition, such as the logics of care and science in medical schools (Dunn and Jones, 2010), or the trustee and performance logics in the U.S. mutual fund sector (Lounsbury, 2007). Recent works point to minority logics entering industries and fields without opening threatening the dominance of established logics (Durand and Jourdan, 2012). In such constellations of logics (Goodrick and Reay, 2011), the amount of resources devoted to each logic reveals an underlying hierarchy, logics and resources being tightly intertwined (Sewell, 1992). For instance, various logics may command comparable levels of resources (and power) in the industry, meaning that no logic overly dominates the others; reversely, one logic may gain dominance over others.

Logic dominance is likely to affect the weight stakeholders give to institutional footprints when evaluating organizations. When minority logics compete with a dominant logic, differences in social identities and goals may become more salient to stakeholders that are caught in struggles between camps, e.g. the ancient and the modern (Durand *et al*., 2007)–actors favoring the status-quo (the dominant logic) and actors trying to advocate new rules and values (minority logics) (Cattani, Ferriani, and Allison, 2013). The probability of conflict across social groups holding different logics may be higher (Tajfel and Turner, 1979), and differences in goals may be more salient to stakeholders than in balanced environments where lacking a clear institutional footprint may be more benign. Accordingly, we expect stakeholders to be

more careful about differences in logic-based social identities and goals, and more reluctant to give support to firms lacking a clear institutional footprint when one logic dominates the industry than when logics are more balanced.

> *Hypothesis 2: The relationship between institutional footprint and survival chances in complex institutional environments is moderated by logic dominance at the industry level, such that the relationship becomes stronger as an institutional logic gains dominance.*

3. AN EMPIRICAL TEST IN THE FRENCH FILM INDUSTRY

3.1 ENTERTAINERS AND AUTEURS LOGIC IN THE FRENCH FILM PRODUCTION INDUSTRY

We study the relationship between institutional footprint and survival chances in the full population of film production firms in France from 1994 to 2008. The French film production industry offers a compelling case of an industry organized around two major and largely opposed institutional logics salient to firms and stakeholders. The industry, born with the invention of the cinematograph by the Lumière Brothers in 1895, has been profoundly shaped by two major phenomena. First, the gradual recognition in the western world of filmmaking as a form of art (Baumann, 2001; Caves, 2000) was particularly influential in France, where it resonated with the legal doctrine of *moral rights*. By contrast to the *copyright* regime that secure the rights of owners (e.g., producers), the moral rights regime grants authors—'auteurs' (e.g., writers, directors)—inalienable rights, including the 'final cut' (the legal right to choose the final edited version of a movie). This culminated with the *Nouvelle Vague* movement (New Wave) of the late 1950s and 1960s, which established the preeminent role of 'auteurs' in filmmaking and rejected the commercial orientation of popular cinema. Second, the import in French theatres of Hollywood movies after World War II triggered the involvement of the State in the industry to safeguard the national cultural heritage and protect local jobs. The identity movement of the Nouvelle Vague (Rao *et al.*, 2003) and the material support of the State (through a range of subsidies) contributed to sustain a stable system of beliefs, expectations and values proper to the 'auteurs'—giving birth to the *auteurs logic*. For supporters of the auteurs logic, the goal of filmmaking is essentially artistic and cultural; the market is just a means to achieve this goal and must therefore be kept in check as epitomized by the industry regulator's mission to 'curb the effects of the market' (Cnc, 2007) and to 'enable creators to express themselves independently of market constraints' (Danard, 2012). The set of institutions and resources dedicated to the auteurs had produced a unique blend of cinematic production, as illustrated by Quentin Tarantino's quip: 'Cinema is my religion and France is the Vatican' (Hopewell and Keslassy, 2013). While the auteurs logic is very potent in the industry, it coexists with another logic, going back to the early days of movies as a funfair attraction, that sees filmmaking as a popular entertainment business (Jones,

2001). Whereas the elitist logic relies on a small elite of critics and experts to make legitimacy judgments, the *entertainers logic* sees the market as the ultimate judge of a film's merits.

We used interviews with industry participants supplemented by archival data to specify ideal types, demarcating the sources of social identity and goals of producer firms in the film industry in France. Seventeen open-ended interviews were conducted with a snowball sample including film investors, producers, State regulators, and directors to ground the interpretation of the data. Interviews averaged 45 minutes, were tape recorded (when permitted), and followed a protocol that evolved with the research project (Strauss and Corbin 1998). Ideal types are a conceptual tool to interpret the comparative meaning of these elemental categories in pure form (Swedberg 2005:119–120); they are used in institutional logic research to gauge the distance of observations relative to polar extreme ideal types (Doty and Glick 1994; Reay and Jones, 2015).

Table 1. Social identity and goals of producers in the main logics of the industry

	Auteurs logic	Entertainers logic
Social Identity	Producers as cultural actors Materialize the unique vision of auteurs	Producers as economic actors Conduct entrepreneurial projects
Goals	Enrich movie-goers Contribute to cultural legacy Obtain elite recognition (awards, reviews…)	Entertain movie-goers Contribute to economic activity Obtain popular recognition (box office hits)

Table 1 presents ideal-types relevant to this study. The features of the category identities (e.g., cultural actor vs. economic actor) and role identities (e.g., support the author vs. conduct entrepreneurial projects) are clearly demarcated across logics. The content of the organizational goals also differ and largely conflict, such that achieving the objectives embedded in a logic (e.g., appealing to connoisseurs and critiques valuing the artistic value of cinema) may prevent the reaching of goals proper to another logic (e.g., offering a mass-market entertainment product).

3.2 CAPTURING LOGIC CONFORMITY

As a journalist of the Hollywood Reporter recently remarked, there is an 'enormous gulf' separating the two logics: for advocates of the auteurs logic, 'French commercial movies are an anathema—something to largely avoid, or else to tolerate like a distant, trashy relative that you only need to see once a year, usually at Christmastime', and for supporters of the entertainers logic, 'there's no reason why the moviegoing experience should be a thought-provoking one, why something that's entertaining needs be brainy as well' (Mintzer, 2013:1). Interviewees pointed to the certification made by the French Association of Art and Essay Cinema (AFCAE) as an important indicator of logic conformity. Dating back to the *Nouvelle Vague* movement, the AFCAE is the voice of the auteurs: film critics, movie directors, and art house exhibitors. The Art and Essay certification was established to distinguish films that are recognized as artistically ambitious and contribute to cultural diversity–also known as *auteurs films* ('film d'auteur'). In practice, a

committee of experts reviews all the films released in the market and selects the ones that are deemed to contribute to 'research and novelty in cinematographic creation' (art-et-essai.org). In a setting where two logics are largely antagonistic, commercial films that have been screened but not deemed worthy of the Art and Essay classification are regarded as conforming to the competing entertainers logic—an interpretation that can be found for instance in industry statistics and the press; for the sake of clarity, we refer to these films as *entertainers films*.

To document the 'gulf' that separates auteurs and entertainers films (Jourdan, Durand, and Thornton, 2017), we compared the cost, revenues and critics' ratings of the two types of films in our dataset. Auteurs films have significantly lower production budgets (€3.15 vs. €8.15m on average), as well as weaker gross box office revenues (€1.04m vs. €3.88m) than entertainers movies. We also collected the 28,899 film critics' ratings referenced by Allocine.com–the main web service dedicated to French cinema–relating to the films produced between 1994 and 2008. Film reviews are important referents in that they reflect an intellectualizing discourse about the cultural and artistic nature of cinema (Baumann, 2001), providing hints about the conformity of films to the auteurs and entertainers logics. Table 2 illustrates the intrinsic nature of auteurs films: they receive on average significantly higher film critics' ratings (3.38 out of 4) compared to other films (2.77). To further probe this finding, we asked two experts in French newspapers (an emeritus scholar in the field of communication and a press executive) to identify the five publications most aligned with the auteurs logics among the first 20 newspapers with the highest number of reviews: the gap between auteurs films' ratings (3.35) and other films' ratings (2.53) is larger in the subset of 6,744 reviews published in these newspapers (35% higher vs. 22% higher in the full sample). One-tailed t-tests confirm differences in means are statistically significant. Together, these results confirm that the Art and Essay certification, epitomizing auteurs films, apply to films with average lower production cost and box office potential, yet higher critic's appeal, and leaves out more costly and commercial products with lower critical appeal–entertainers films–supporting the general belief in the industry that the certification offers a reasonable instrument to demarcate films' conformity to the auteurs and entertainers logics of French cinema.

In the French context, and in contrast to other markets, artistic films do not belong to a niche market: 54.6 percent of the 2,495 French feature films released between 1994 and 2008 are auteurs films. On average over the period, 36.7% of the money invested in firm production (as measured by production budgets) went to auteurs films. As Figure 1 illustrates, the percentage of production investments dedicated to auteurs films varied during the period under study, decreasing after 2004 as the auteurs logic gained dominance.

**Figure 1. Shares of production resources dedicated
to auteurs and entertainers films, 1994–2008.**
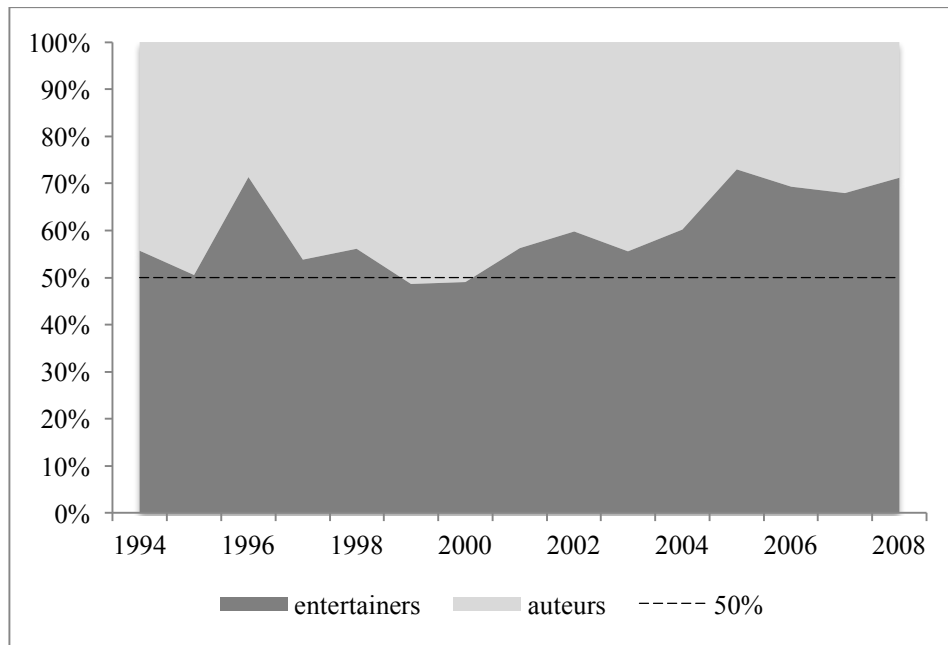
In the institutionally complex environment of the French film industry, producer firms repeatedly commit resources to film projects that are evaluated as conforming with one of the two main logics of the industry: releasing an auteur film signals conformity to the auteurs logic, releasing an entertainers movie indicates compliance with the entertainers logic. Firms consistently conforming to either the auteurs logic or the entertainers logic develop a clear footprint. Arguments developed in this paper suggest that a clear institutional footprint will increase the likelihood to receive the support of primary stakeholders, including film investors and film distributors, raising survival chances all else being equal.

3.3 DATA

Film production involves the assembly of different resources, including ideas, talents and financing, under the control of different primary stakeholders. Thanks to the high reporting demands imposed on film producers in France, the activity of the population of firms involved in film production during the period of the study can be exhaustively traced back, offering a unique perspective on an industry where finding reliable and detailed data is a challenge (Wasko, 2003: 12). The law mandates that producers should file a copy of all contracts relating to film financing and production with the Public Film Register (RPCA). From this register, we extracted 17,707 contracts categorized either as production, coproduction or association to production, and related to films produced in France during the period 1994–2008. The examination of production contracts allows us to fully retrace producer firms' involvement in film projects. Additional data on the French theatrical film market comes from the professional database *Ciné Box Office*, and was complemented with data from the trade journal *Le Film Français* and the website of the

French Association of Art and Essay Cinema (AFCAE). The final dataset includes 7,541 yearly observations on 2,277 producer firms.

3.4 METHOD AND DEPENDENT VARIABLE

One of the challenges attached to the study of institutionally complex environments is that performance yardsticks vary across logics. Under the entertainers logic, performance is mostly a matter of market success (i.e., box office revenues). According to the auteurs logics, successful movies are the ones that make a recognized artistic contribution (i.e., distinguished by prestigious festival, or film critics). Because logics significantly affect what problems decision makers attend to and the set of solutions they consider (Ocasio, 1997, 2011), selecting a market measure or a cultural measure of performance to examine sustainable advantage would likely be problematic for the purpose of this study. For this reason, we chose to model differences in survival rates. We use accelerated failure time analysis (AFT), a method appropriate to model differences in entry dates–that is with shorter periods of observations for late entrants (Barkema, Bell, and Pennings, 1996; Hoang and Rothaermel, 2010; Mitchell, Shaver, and Yeung, 1992). Akaike's Information Criterions (AIC) were used to discriminate between different underlying distributions of the hazard rates (Akaike, 1974), pointing towards a Weibull distribution. The AFT model assumes a linear relationship between the log of (latent) survival time T and a vector of firm characteristics X at time j: $T_j=\exp(-X_j\beta_x)t_j$ where T_j is distributed as Weibull with parameters (β_0, p) and cumulative distribution function $F(T)=1- \exp[-\{\exp(-\beta_0)T\}^P]$, and β_x is a vector of coefficients to be estimated from the data. Firms enter the risk set at the date they sign their first contract. Firms are assumed to have failed when they have been inactive for at least three years, consistent with prior studies of the industry (Cattani *et al.*, 2008); firms that are still active in the last three years of observations are assumed to have survived, and are coded as right-censored. Exit is interpreted as failure: interviews with regulators revealed that merger and acquisition are extremely rare events because the subsidies producer firms are entitled to are not transferrable through mergers, and technical and cultural specialization hinders moves to other markets. To alleviate left-censoring issues and control for age, we rely on complementary contract data going back to 1987 to identify the birth date of the firms. Robust standard errors are adjusted for firm clusters. A frailty model is also tested to account for potential unobserved heterogeneity as a further check.

3.5 INDEPENDENT VARIABLE AND MODERATOR

One of the main–and most visible–resource allocation decisions firms make relates to product releases. Firm's institutional footprint can be captured by examining the extent to which the products released in the past have been recognized as being conformant with one of the distinct institutional logics of the industry. We rely on a time-varying measure of logic conformity C_{itk}: the share of organization i's accumulated production as of time t recognized as conforming with logic k (among the n logics available in the industry). For example, the film producer Fidélité was involved in 45 films between 1998 and 2008,

of which 20 were auteurs films and 25 were entertainers products: Fidélité's measures of conformity to the auteurs and entertainers logic are $C_{itAUT} = (20/25) = .444$, and $C_{itENT} = (25/45) = .556$, respectively. Because we're interested in an index of consistent conformity to one logic at the exclusion of others, we use a normalized Herfindahl index as a general measure of institutional footprint:

$$(1) \qquad institutional\ footprint_{it} = \frac{(\sum_{k=1}^{n} C_{itk}^2 - \frac{1}{n})}{1 - \frac{1}{n}}$$

The normalized index variable ranges from zero to one. The interpretation of the variable is simple: the more firm i has released products consistently conforming to one logic, the more its *institutional footprint_{it}* approaches a value of one; in the opposite case where i's products are evenly spread across n logics, the value of *institutional footprint_{it}* is zero. In the context of the French film industry where two main exclusive logics coexist (n=2), the measure described in equation (1) can be simplified as follows:

$$(2) \qquad institutional\ footprint_{it} = \frac{(C_{itAUT}^2 + C_{itENT}^2 - \frac{1}{2})}{1 - \frac{1}{2}} = 2\,[C_{itAUT}^2 + C_{itENT}^2] - 1$$

where C_{itAUT} and C_{itENT} are the shares of firm i's cumulated film production as of time t recognized as conforming to the auteurs logic and to the entertainers logic respectively. For example, the film producer Fidélité has a low institutional footprint value of 0.012 (=2[.444^2+.556^2]-1) as of 2008, reflecting the fact that the firm's production has spread across the two logics. By contrast, Sunday Morning Productions had a higher institutional footprint value of .669 with 10 auteurs films and only one entertainers film at the end of 2006.

To capture *logic dominance*, we examine the cumulated production budgets allocated to auteurs cinema and entertainment films respectively at the industry level. Because we are interested in evaluating the dominance of one logic over others, we use a normalized Herfindahl index to capture logic dominance at the industry level:

$$(3) \qquad logic\ dominance_t = 2\,[B_{tAUT}^2 + B_{tENT}^2] - 1$$

where B_{tAUT} and B_{tENT} are the shares of production budgets dedicated to auteurs films and entertainers films respectively in year t. The variable is equal to zero when no logic dominates and tends to 1 as an institutional logic gains prominence.

3.6 CONTROL VARIABLES

In order to test the discriminant effect of institutional footprint, we control for a number of time-varying firm-level factors that might affect firms' survival chances. Organizational age has been found to influence survival chances in populations of organizations, with younger firms suffering from a liability of newness (Freeman, Carroll, and Hannan, 1983; Stinchcombe, 1965) As larger firms may have greater survival chances (Barnett, 1997), we include a variable for *size*, proxied by computing the average project size of firm i, the natural log of the average production budget of the films the firm has produced—under

the assumption that only sizeable firms may be able to produce big budget films. Critically, we control for firm capabilities that may explain differences in survival abilities: we include variables for past performance in both economic and artistic domains. *Economic performance* is proxied by the cumulated past box office revenues of the films produced by the firm. *Artistic performance* is measured by cumulating the number of awards—a common measure of artistic achievement in the industry (Rossman, Esparza, and Bonacich, 2010)—won at the Cannes film festival. We select the Cannes film festival because it is the most central event in the industry (De Valck, 2007) and Cannes awards are exclusively based on artistic considerations (results are unchanged with alternative specifications using *Césars* nominations and awards—the French equivalent of the Oscars). (Alternative specifications (unreported) using experience variables (count of films produced) instead of economic and artistic performance indicators yield similar results). The film industry being highly interconnected, social capital may also be critical to survival. We measure firm's time-varying eigenvector centrality in the producers' network. Producer firms are tied when they are jointly involved in a film project. We adopt a moving-window approach in constructing the network of producer firms (Soda, Usai, and Zaheer, 2004): ties are assumed to remain active for three years (Cattani *et al.*, 2008). (Alternative specifications based on 2-year and 4-year ties give similar results.) Eigenvector centrality is a typical measure of *social capital*, under the idea that central firms have a double visibility advantage over more peripheral players that could contribute to increasing their survival chances: they have a greater vision of what is happening in the industry (information advantage), and they are also more visible and have thus a greater influence on other firms (influence advantage). It's is a recursive measure of network centrality (Bonacich, 1987), increasing when firms are connected to other firms themselves more connected (an alternative measure based on degree centrality gave similar results); formally, the measure of eigenvector centrality is defined as follows: $c(\alpha,\beta)=\alpha(I-\beta R)^{-1} R1$ where α is a scaling factor, β is a weighting factor, R is the adjacency (matrix of network relationships), I is the identity matrix, and 1 a matrix of ones. We also account for fixed firm characteristics. We identify through the *fund* dummy variable a specific form of producer firms, investment funds specialized in film production that have a shorter life span and may thus have lower survival rates. We also include a dummy variable to identify firms that are only involved in a *single film* over the period under study. We also control for industry level variables that may affect firm survival. *Industry resources* is the natural log of the amount of resources at the industry level in the focal year, measured by the sum of production budgets (the variable is standardized for the sake of readability). Density-dependence factors have been found to be significant predictors of firm's mortality in numerous population studies following the work of Hannan and Freeman (1977): we add variables for *industry density* (number of active firms in the industry) and *industry density squared* (divided by 100). Finally, we add a set of year dummy variables in order to control for potential unobserved period fixed effects.

4. RESULTS

Table 3 presents descriptive statistics and pairwise correlations for the variables in the models. It's noteworthy that the mean value of *institutional footprint* in the population is high (0.70); a closer look at the distribution of the observations reveals that firms stick to one logic (institutional footprint equals to 1) in about two thirds (64%) of the observations.

Estimations of accelerated failure time (AFT) models with Weibull distribution are presented in Table 5. AFT models estimate survival rates (i.e., positive coefficients indicate a positive relationship with survival). Model 1 introduces the control variables. As expected, *age* and *size* have significant positive relationships with survival. Past *economic performance* and *artistic performance* do not seem to be related to survival, a possible illustration of the observation that past performance is a poor predictor of future achievements in creative industries (Caves, 2000). The coefficient for *social capital* is positive and significant. Investments *funds* have lower survival rates, and so do firms that produced only a *single film*. While survival chances increase with industry resources, there is weak evidence of density dependence in this mature industry: the coefficient for *industry density* is positive and marginally significant; the quadratic term is negative but not statistically significant.

### Table 3. Descriptive statistics and pairwise correlations

		mean	s.d.	1	2	3	4	5	6	7	8	9	10	11	12
1	Institutional footprint	0.70	0.42												
2	Logic dominance	0.07	0.09	-0.06											
3	FootprintXdominance	0.04	0.07	0.34	0.77										
4	Age	2.00	1.90	-0.36	0.08	-0.10									
5	Size	5.35	5.72	-0.01	0.04	0.02	0.04								
6	Econ. Performance	2.91	14.29	-0.16	0.14	-0.01	0.27	0.14							
7	Artistic performance	0.15	0.70	-0.11	0.10	0.00	0.24	0.00	0.32						
8	Social Capital	2.17	5.66	-0.23	0.13	-0.03	0.21	0.06	0.40	0.27					
9	Fund	0.03	0.17	-0.19	0.02	-0.05	-0.13	0.04	0.04	0.02	0.11				
10	Single film	0.17	0.37	0.32	0.07	0.22	-0.41	-0.02	-0.09	-0.08	-0.14	-0.06			
11	Industry resources	0.00	1.00	-0.04	-0.01	0.04	0.10	0.06	-0.07	-0.05	-0.03	0.00	0.00		
12	Industry density	44.35	6.56	-0.10	0.30	0.22	0.19	0.09	0.05	0.03	0.04	0.00	-0.01	0.68	
13	Industry density sq.	20.10	5.67	-0.10	0.34	0.25	0.19	0.09	0.05	0.03	0.05	0.00	0.01	0.67	0.99

Note: *N*=7,541, all correlations above |.02| are significant at the 5% level.

Institutional footprint is added in Model 2. Consistent with Hypothesis 1, the relationship between *institutional footprint* and survival is positive and highly significant (0.822, $p<0.001$). As the AFT model is log-linear, this result suggests that a 0.10 increase in *institutional footprint* is associated with an increase in survival chances by a factor of 1.086 ($e^{.822*.1}$), all else being equal. Compared to a firm with an institutional footprint value of 0, a firm with a footprint of 1 (fully conforming to one logic) may be expected to survive 2.28 times longer ($e^{.822}$). To test whether the effect might be different according to the

logic in which the firm has established a footprint, we introduce a spline specification of the institutional footprint variable: *institutional footprint (entertainers)* is equal to *institutional footprint* when the firm has mostly conformed to the entertainers logic, and 0 otherwise; *institutional footprint (auteurs)* is equal to *institutional footprint* when the firm has mostly conformed to the auteurs logic, and 0 otherwise. The variables are entered in Model 3: both coefficients are positive and highly significant (0.806 for institutional footprint (entertainers) and 0.833 for institutional footprint (auteurs), $p<0.001$).

Figure 2. Marginal effect of institutional footprint conditional on logic dominance
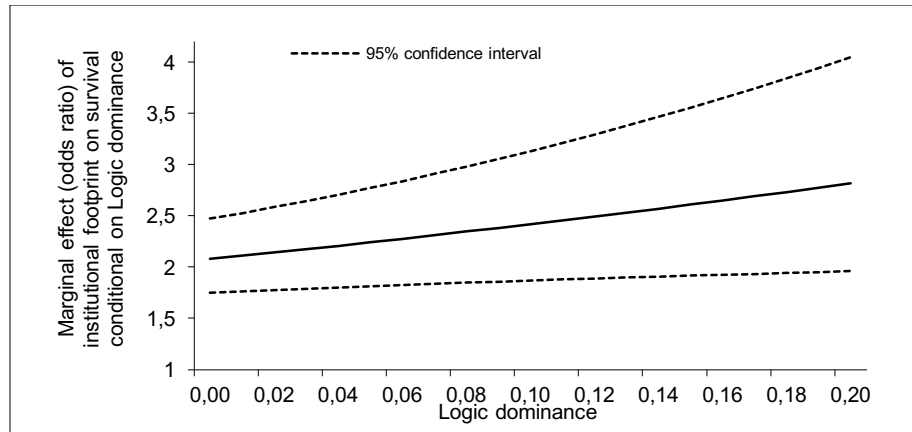
Hypothesis 2 predicts that the relationship between institutional footprint and survival will be strengthened when logic dominance increases. We add the *logic dominance* variable in Model 4. The coefficient for the variable is negative and significant suggesting that average survival chances are lower when logics are not balanced in terms of resources at the industry level: while interpreting this result goes beyond the scope of this study, one possible reason for this result might be that logic dominance breeds conflict, which may make it more difficult for individual firms to acquire key resources. The coefficient for the interaction between institutional footprint and logic dominance is positive and statistically significant (1.520, $p<0.05$), in line with Hypothesis 2: firms with a strong institutional footprint have a larger survival advantage when one logic gains dominance at the industry level. Figure 2 plots the marginal effect of institutional footprint conditional on logic dominance (as recommended by Brambor, Clark, and Golder, 2006): the survival advantage of a maximum institutional footprint (value of 1) compared to a lack of footprint (value of 0) increases from 2.08 to 2.86 when logic dominance varies between 0 and .21 (maximum observed in the sample). Model 5 provides an alternative test with the spline variables, confirming that the survival advantage related to institutional footprint is larger in settings where a logic dominates for both firms aligned with the entertainers logic (1.369, $p<0.05$) and firms conforming to the auteurs logic (1.685, $p<0.01$).

Table 5. Estimation of survival rates in the population of producer firms (Accelerated Failure Time models with Weibull distribution)

VARIABLES	Model 1	Model 2	Model 3	Model 4	Model 5
Age	0.254***	0.308***	0.308***	0.308***	0.308***
	(0.026)	(0.028)	(0.028)	(0.027)	(0.027)
Size	0.004*	0.003+	0.003*	0.003*	0.003*
	(0.002)	(0.002)	(0.002)	(0.002)	(0.002)
Economic performance	0.007	0.015+	0.016+	0.015+	0.015+
	(0.006)	(0.008)	(0.008)	(0.008)	(0.008)
Artistic performance	0.067	0.081	0.076	0.078	0.072
	(0.068)	(0.074)	(0.075)	(0.074)	(0.074)
Social capital	0.023***	0.029***	0.029***	0.031***	0.031***
	(0.006)	(0.005)	(0.005)	(0.005)	(0.005)
Fund	-0.890***	-0.610***	-0.608***	-0.613***	-0.611***
	(0.136)	(0.125)	(0.125)	(0.125)	(0.125)
Single film	-7.081***	-7.261***	-7.260***	-7.265***	-7.264***
	(0.073)	(0.079)	(0.079)	(0.079)	(0.079)
Industry resources	1.394***	1.386***	1.373***	1.701***	1.693***
	(0.280)	(0.269)	(0.269)	(0.334)	(0.333)
Industry density	0.065+	0.064*	0.063*	0.061*	0.061+
	(0.034)	(0.031)	(0.031)	(0.031)	(0.031)
Industry density sq.	-0.023	-0.022	-0.021	-0.019	-0.018
	(0.048)	(0.044)	(0.044)	(0.044)	(0.044)
Year dummies	Yes	Yes	Yes	Yes	Yes
Institutional footprint		0.822***		0.731***	
		(0.081)		(0.088)	
Institutional footprint (entertainers)			0.806***		0.724***
			(0.083)		(0.091)
Institutional footprint (auteurs)			0.833***		0.734***
			(0.081)		(0.089)
Logic dominance				-13.334***	-13.279***
				(2.380)	(2.375)
Inst. footprint X logic dominance				1.520*	
				(0.607)	
Inst. footprint (entertainers) X logic dominance					1.369*
					(0.635)
Inst. footprint (auteurs) X logic dominance					1.685**
					(0.631)
Constant	7.676***	7.028***	7.027***	7.651***	7.650***
	(0.534)	(0.466)	(0.468)	(0.479)	(0.480)
Ln(p)	0.184***	0.207***	0.207***	0.207***	0.206***
	(0.015)	(0.015)	(0.015)	(0.015)	(0.015)
Log pseudo-likelihood	-681.18	-623.84	-623.68	-621.41	-621.08
Firms	2,277	2,277	2,277	2,277	2,277
Observations	7,541	7,541	7,541	7,541	7,541

Note: *** $p<0.001$, ** $p<0.01$, * $p<0.05$, + $p<0.1$.
Robust standard errors adjusted for firm clusters in parentheses.

Robustness checks

We have argued that firms having established a clear institutional footprint are in favorable position to acquire resources from key stakeholders. Our arguments highlight the benefits of a form of institutional specialization–i.e. consistent conformity to an institutional logic–conceptually distinct from market specialization–i.e. consistent focus on a market niche (Hannan and Freeman, 1997; Sorenson, McEvily, Rongrong Ren, and Roy, 2006). While institutional footprint relates to what the firm is and what it seeks to achieve–or character reputation–market specialization is mostly indicative of what the firm is capable of achieving–or capability reputation (Mishina *et al.*, 2012). In practice, yet, institutional logics affect what managers attend to (Ocasio, 1997), including market choices, such that firms with an institutional footprint might systematically differ in market specialization from other firms, affecting our results. In the film industry, market specialization has been typically measured in terms of participation in film genres (e.g., Hsu, 2006; Hsu, Hannan and Koçak, 2009; Shamsie, Martin, and Miller, 2009). A closer look at the French film market reveals that auteurs films tend to be over-represented in the comedy-drama and drama genres, while entertainers films are more likely to be comedies. To explore whether market specialization might contribute to explain our findings, we compute a *market scope* variable capturing firms' involvement in 17 different movie genres (adapted from Hsu *et al.*, 2009):

$$market\ scope_i = 1 - \sum_{l \in \mathbf{l}(m)} \tilde{\mu}_l^2 (i)$$

where $\mathbf{l}(m)$ denotes the set of genres in the market and $\tilde{\mu}_l(i)$ is the share of i's films that are members of genre l. The value of *market scope* is low when producers are specialized in a few genres, and high when they are generalists. In an unreported model, we introduce *market scope* as an additional control: the coefficient for the variable is negative and significant, suggesting that market specialists have higher chances to survive in the French film industry. Adding support to Hypothesis 1, the coefficient for *institutional footprint* remains positive and significant, although of lower magnitude (0.281), after controlling for market specialization. The coefficients for the other variables of interest are largely stable.

Another concern with our analysis relates to potential unobserved heterogeneity in the population of firms, i.e. if factors that affect survival are not included in our models. Frailty models, treating hazards as a function of some unobserved-specific effect, have been found effective in addressing this concern (Fuentelsaz and Gómez, 2006). We use frailty a specification in unreported: frailties are modeled as a random variable of mean 1 and variance θ estimated from the data, and are assumed to follow an inverse-Gaussian distribution (Cleves, Gould, and Gutierrez, 2010). Again results are robust to the change in specification: the coefficient for *institutional footprint* stays positive and significant, although of lower magnitude, in line with Hypothesis 1; the interaction with logic dominance is positive and significant as predicted by Hypothesis 2. Accounting for market specialization and unobserved heterogeneity, firms with

a clear institutional footprint still have a marked survival advantage (about 14.5% higher than firms without footprint). Taken together, these results add confidence in the soundness of the findings.

5. DISCUSSION AND CONCLUSION

In complex institutional environments, resource holders face considerable uncertainty regarding organizations. "What is this firm?" and "What does it seek to achieve to achieve?' are critical questions stakeholders factor in when making decisions to support (or not) a focal firm. The present study advances the idea that firms' accumulated conformity decisions produce a series of observations—like the vapor trail jet aircrafts leave in the sky—resource holders can use as cues to assess a firm' social identity and strategic goals. When these cues indicate a clear institutional footprint–i.e., consistent conformity to an established institutional logic–resource holders have lower uncertainty regarding the firm's identity and goal and are more likely to support the firm, increasing its survival chances. Empirical evidence from the French film production industry are consistent with this view: firms that have established a clear institutional footprint, demonstrating consistent conformity with one of the two salient institutional logics of the industry, have significantly higher survival chances than other firms. This result is robust to several specifications and the inclusion of a variety of control variables, including past economic and artistic performance. The effect is material: firms with a clear footprint have, on average, more than twice as many chances to survive than firms without footprint. We also find evidence that the beneficial effect of institutional footprint is more pronounced when industry resources are unequally distributed across logics–i.e. when one institutional logic dominates.

This study highlights the non-benign nature of complex institutional environments. A central tenet of institutional theory is that organizations conform to institutionalized expectations to access to legitimacy, resources and survival capabilities (Scott, 1987; Oliver, 1997). In complex environments, complication arises from the coexistence of diverse and often conflicting expectations (Goodrick & Reay, 2001; Greenwood et al., 2011; Kraatz and Block, 2008). In our setting, stakeholders operating under the entertainers logic largely avoid artistic film producers, much like advocates of the auteurs logic don't get involved with producers involved in mainstream entertainers cinema. The deeply entrenched nature of institutional logics (Thornton et al., 2012) implies that social identities are strictly segregated (i.e., one cannot belong to both camps) and goals are clearly distinct (i.e., entertainers have a market orientation while auteurs pursue professional goals). In such a setting, our findings suggest, firms that have not established a clear institutional footprint have weaker survival chances. Although the resulting penalty appears to be lower when the resources attached to each logic are balanced at the industry level, it remains significant. Contrary to market category hybridity that may be benign when classification schemes are emergent or in flux (Ruef and Patterson, 2009), the intrinsically conflicting nature of institutional logics (Friedland and Alford, 1991), grounded in different sectors of society (e.g., family, religion, state, market,

profession, corporation, community), suggests that the absence of institutional footprint might always be problematic in complex environments. It does not mean however that firms are strictly constrained by their institutional footprint: organizations attempting to develop an hybrid offer combining different logics, such as microfinance or social business (Battilana and Dorado, 2010; Battilana and Lee, 2014) may be in a better position to do so once they have established a clear institutional footprint in their industry (i.e., a clear banking, or a clear social footprint).

Our findings also speak to the literature on firm-level sustainable advantage. First, we contribute to shed further light on how institutional factors affect sustainable advantage. Oliver (1997) argued that institutional factors influence how firms internally select and use resources, contributing to sustainable firm heterogeneity. Our findings complement this view by suggesting that institutional factors also condition the acquisition of external resources. We know that factor markets are affected by social and institutional antecedents (Barney, 1986b). In institutionally complex environments, firms need to acquire the key resources they need to operate and survive from different groups of actors with distinct deeply entrenched beliefs, values and expectations about what a firm should be and what it should do. To some extent, external resource holders investigate and evaluate the nature of the 'dominant logic' of the firm (Bettis and Prahalad, 1995). Establishing a clear institutional footprint is critical to this process, and may contribute to a form of firm-level *institutional capital* (Lounsbury and Glynn, 2001; Oliver, 1997: 709), that is the ability of firms 'to match and interact with the larger society prevailing values and practices' (Lin, 2002: 193). Second, our study reminds us of 'the importance of history as a determinant of firm performance and competitive advantage' (Barney, 1991: 108). An historical perspective is required to understand the nature of the relationship between a focal firm and its environment (Barnett, 2007): product releases are data points in a larger trajectory that external stakeholders can observe to make sense of the social identity and goals of a firm. As such, a firm's institutional footprint contributes to its character reputation–that is a set of 'collective judgments regarding a firm's incentive structures and behavioral tendencies based on observations of its prior actions' (Mishina *et al.*, 2012: 460). Our findings indicate that this trajectory–or institutional footprint– has a significant relationship with firm-level sustainable advantage, considered broadly in terms of survival advantages, independently of age, size, performance, market scope, and other variables. Finally, our study indirectly points to the need to consider performance indicators with caution when examining sustainable advantage in complex institutional environments (Miller, Washburn, and Glick, 2014). While resource holders may for instance believe that expected return on investment is the only worthy metric, others will consider different parameters. For this reason, focusing on a specific performance measure (e.g., market performance) might only give a partial view of firms' sustainable advantage; for example, firms conforming with non-market logics (such as the

auteurs logic) may compensate for poor economic performance by attracting resources from non-market resource holders (Barnett, 1997).

The assumptions and scope conditions used to develop theory in this study warrant examination. Resources and logics are viewed as tightly intertwined: logics are maintained through the employment of resources, and resources only make sense in the light of an institutionalized logic, e.g., the value of military forces depends on contemporary warfare conventions, the influence of priests depends on current systems of beliefs, and the respect a king commands derives from accepted stories and myths (Sewell, 1992). This assumption resonates with the resource-based view's argument that 'the value of a firm's resources must be understood in the specific market context within which a firm is operating' (Barney, 2001), and is consistent with works suggesting that economic agents assess resources through socially constructed 'theories of value' (Zuckerman and Rao, 2004). An important boundary condition is that institutional complexity prevails, with several logics coexisting in the industry—a situation documented in an increasing number of studies (Dunn and Jones, 2010; Lounsbury, 2007). Only logics salient to stakeholders are expected to play a role: establishing a footprint with a marginal logic instantiated by players commanding scarce resources may not provide much advantage. When a single logic is hegemonic, the dynamics of institutional footprint fit more classical institutional theory arguments: aligning with shared values and beliefs brings about legitimacy, increasing a firm's chances of survival (Baum and Oliver, 1991; Singh and Tucker, 1986).

This study bears the limitations of any industry study, and calls for further investigation in other settings. While the context of the research is a rather simple one (two salient, and largely opposed institutional logics), we may expect the theory of institutional footprint to hold in industries where several logics compete, including medical education (Dunn and Jones, 2010), mutual funds (Lounsbury, 2007), publishing (Thornton and Ocasio, 1999), haute cuisine (Durand *et al.*, 2007), and many others. Our context is one of highly institutionalized logics; one may explore how institutional footprints affect sustainable advantage in contexts where boundaries are less clearly defined or in flux (e.g., Durand *et al.*, 2007). Although our measure of institutional footprint captures one important resource allocation decision (product release), it is tailored to the film industry in France where two main logics prevail. Future research may consider whether other important firm decisions and discourses align with existing logics. In some cases, the institutional logics of the industry may not be as antagonistic as the auteurs and entertainers logics are in the French cinema context, requiring an investigation of alternative measures. Future work may also explore the extent of strategic intent behind the establishment of an institutional footprint a dimension that cannot be explored given the data and methods used in this study. Scholars may for instance investigate why some firms have not established a clear footprint and how that might affect their survival chances: in some cases, firms may pursue purposeful hybrid strategies trying to combine

two logics (e.g., Battilana and Dorado, 2010); in other cases, misalignment might be more unintentional.

A central argument of this paper is that the now well-documented complex and contested nature of modern institutional environments creates challenges to organizations that go beyond individual conformity decisions. As they operate and make repeated resource allocations decisions, firms leave a trail for external audiences to observe–an institutional footprint that may signal where they stand in the complex institutional space and affect their survival chances.

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