Key words: designers, haute couture, institutions, legitimacy, ready-to-wear, reputation, standing.

THE RELATIONSHIP BETWEEN CREATIVE WORKERS

AND LOCALIZED PROFESSIONAL INSTITUTIONS.

THE CASE OF THE PARISIAN «HAUTE COUTURE». A LONGITUDINAL STUDY (1973-2010)

The globalization of the manufacturing of fashion products, for all product ranges, is now unavoidable. However, most creative activities of the high-end fashion industry remain concentrated in a few capital cities. Besides, the Paris, London or Milan shows remain the ones with the most media coverage.

The case of Paris, where the notion of «haute couture» has been invented, is therefore an interesting field to study the relationship between creative workers and localized professional institutions.

THEORETICAL BACKGROUND

The framework if this study is neo-institutionalism (Williamson, 1975). The concept of "embeddedness" (Polanyi, 1944 and 1957) of economics into society has been used as a tool to study inter individual and cooperative inter firm relations in our society (Granovetter, 1973 and 1975). The fact that critical transactions are dependent on firms that are embedded into social relationship networks has been pointed out (Uzzi, 1997).

It has been shown (Krugman, 1991) that there is an endogenous, cumulative process of regional divergence that results from the interaction of the demand, growing yields and transport costs. A region can thus benefit strongly from an initial advantage, and benefit from growing yields.

The interaction between local regulation and cultural industries which includes fashion has been emphasized (Scott, 1998 and 2000). Scott aims to show that there is a strong link between places and "the reputation and authenticity of cultural products". He outlines that the connection between the image produced and the place create a sort of "exclusive revenue" associated with these places.

Scott's contribution involves notably highlighting "reputation and authenticity". Scott takes an interest in the role played by a "dominant location". He clearly follows Marshall's theory (1898) (in fact using the terms "industrial atmosphere") and feels that the phenomenon is characterized by a growth in the local labour market and the emergence of new qualifications.

In the end, the location will possess "identifiable, cultural attributes marked by distinct conventions and habits".

The importance of connections for creative and cultural industries has been emphasized (Chapain and Communian, 2010).

Urban areas can, thanks to their history, provide advantages for the firms present in material and immaterial terms. This double component, both material and immaterial, may explain the perennial strength of the big cities that are specialized in fashion.

The presence of reputation leads to the use of a premium by firms, premium which is also a compensation for firms' investment in reputation (Shapiro, 1983). In activities where status and reputation matter, a firm's current affiliations have an effect on following affiliations (Benjamin and Podolny, 1999). It has also been shown that organizations can enhance their value by the building and the exploitation of a reputation (Shamsie, 2003).

The formal structure of organizations reflects the myths of their institutional environments (Meyer & Rowan, 1977). Isomorphism allows organization to acquire an institutional legitimacy (DiMaggio & Powell, 1983). A positive relationship has been shown between strategic isomorphism and legitimacy measures (Deephouse, 1999).

Asforth and Gibbs (1990) emphasized the fact that if legitimacy is a need for organizations, it remains problematic. Moreover, institutions are threatened by deinstitutionalization (Oliver, 1992). Even a Field Configuring Event runs the risk of being deinstitutionalized (Delacour & Leca, 2007).

Karpik (2007) has shown that particular industries offer products that cannot be interchangeable. Therefore a tool of comparison is needed for these types of products.

There are industries where coordination tools are necessary. The relationship with these tools has a link with the search of legitimacy coming from the firms.

APPROACH TAKEN

A longitudinal study of couturiers and fashion designers operating in Paris between 1973 and 2010 has been conducted. Two types of sources have been utilized: annual meeting transcripts from the "Fédération Française de la Couture, du Prêt-à-Porter des Couturiers et des Créateurs de Mode" between 1973 and 2008 and interviews of past and present members of this Federation.

METHODS OF ANALYSIS

To conduct this study, which is part of a management PhD study in progress, an induction approach has been used.

Direct access to all the reports of the « Fédération Française de la Couture, du Prêt-à-Porter des Couturiers et des Créateurs de Mode » between 1973 and 2010 has been possible. All the reports between 1973 and 2001 have been analyzed using QSR NVivo8 software. Interviews of major actors of this field have been done between 2008 and 2011. All the interviews were recorded. Besides the governing body of the Federation, we met participants of the Federation, including former CEO's of companies such as Dior, Givenchy and Kenzo and also young designers who have recently joined the Federation and who joined the «haute couture» professional group. Some managers were the CEO's of both couture and ready to wear houses, others managed only ready to wear houses. Some of them have also managed high-end fashion and textile brands in Europe (Germany and Italy). A short study of the Italian high-end organization in Milan has also been made.

The interviews were conducted face to face, the average length was one hour, some of them lasting more than two hours. The interviews were semi-directive. A thematic analysis has been conducted. The interviews have been done using direct access. The QSR NVivo8 software has been used to identify themes. The use of two different sources (annual reports and face to face interviews) has allowed us a triangulation of our date.

The focus on a limited source of data has been in our opinion compensated for the following reasons:

- 1) We relied on previously unpublished reports,
- 2) The referees we met inside the professional organization have an ancient knowledge of the problematic studied,
- 3) Interviews with members of the organization have allowed us to deepen some themes incorporated in the written reports,
- 4) The evolution of couturiers in France has been detailed in a book (Gumbach D. Histoires de la Mode) published in 2003,
- 5) As regards the period for which no actor is still in life, some of these have written books in which their experience is detailed (including Gaston Worth and Paul Poiret). Moreover two PhD works have focused in the 1930's on Parisian haute couture: Simon (1931) and Deschamps (1938).

The central focus of the research was on the reason these managers of creative brands joined the official Parisian Couture network.

CONTEXT OF THE STUDY

The work of fashion designers choosing to belong to the French «haute couture» federation relies on the cultural heritage of Parisian «haute couture» dating from Worth (1858), and includes firms or actors still in activity such as Lanvin, Chanel or Dior.

Someone willing to become a "couturier" should have a sponsorship from a current member of the "Chambre Syndicale de la Couture Parisienne" to apply to this professional network.

Since 1945, a list of authorized Couture houses is published every year by the French Ministry of Economy. This system still exists, and gives Parisian *«haute couture»* a unique position in the world.

In the 1930's, the Italian industry has been encouraged to develop its own high-end fashion. Hence, in 1930, Adèle Aiaizzi Fantechi opens a couture house which mainly proposes copies of French products (Du Roselle, 1980, p. 171). In the 1950s a growing competition came from Italy. An initiative by an Italian businessman, Giorgini, led to the growth of fashion shows in Florence, and to the interest of American buyers for the Italian offer (Adriaenssen, 1989). Giorgini's organized on Februay 12 1951 a presentation of Italian fashion products such as the couturiers of Rome Caroso, Fontana and Simonetta (Gumbach, 2003). Buyers from American department stores Altman, Bergdorf Goodman, Cohn Lo Balbo and Magnin joined this presentation (Merlo & Polese, 2006). A coordination and promotion body, the "Camera Nazionale della Moda Italiana" (The National Chamber for Italian Fashion) was founded in 1958.

In the United States of America, an offer concentrated in California around Adrian arises before the Second World War. Given the high level of duties applied to products coming from Europe, some businesses in New York benefit from clients who can no longer afford European products. Hence, Mrs George Schlee opens a house in Now York in 1930. In 1939, the couturier Mainbocher leaves Paris for New York. His business is in activity until 1971 (Du Roselle, 1980).

In the 1970s, the United States of America also developed their own high-end fashion industry. In 1973, an event held in Château de Versailles (Grumbach, 2003) gathers five American designers: Bill Blass, Oscar de la Renta, Anne Klein, Halston and Stephen Burrows and five Parisian couturiers: Cardin, Dior, Givenchy, Saint Laurent and Ungaro. This event leads to the growth of American high-end fashion. Companies such as Calvin Klein and Ralph Lauren thrived without having a fashion show in Europe.

On a national level, the couture industry was also challenged by national newcomers. The so-called "créateurs de mode" (such as Kenzo, who is Japanese but who was always based in Paris) organized fashion shows outside the official calendar and won high approval from magazines.

Two journalists, Hélène Lazareff and Maïmé Arnodin strongly change the fashion landscape in France. Editors for two important fashion magazines (Elle and Le Jardin des Modes), and inspired by their work experience in the USA and in the UK, they promote ready to wear products in association with producers and department stores. This leads to the development of the notion of "style" (Du Roselle, 1980, p. 62). Maïmé Arnodin promotes the first French stylists: Gérard Pipart since 1959 and Christiane Bailly, Emmanuelle Khanh and Michèle Rosier since 1962.

Moreover, newcomers offer fashion products originated from shop activities. Sonia Rykiel relies on a shop owned by her husband in the south of Paris to promote her creations.

In 1962, Elie Jacobson opens a store called Dorothée Bis with arouses a strong interest. His wife begins a career as a stylist. Coming from the ready to wear sector, Daniel Hechter and Jean Bousquet (under the brand name Cacharel) begin their career at the end of the 1950's. In the 1970, the structure "Créateurs et industriels" attracted foreign designers such as Jean Muir and Issey Miyake.

This situation was addressed in 1973 by the French fashion industry by reshaping its official network in a Federation which will include the new designers who did not want to fit into the constraints of *«haute couture»*. Besides, *«haute couture»* regulations, which were very strict, have been modified in 2001.

In 1982, the Minister of Culture, Jack Lang, lets the couturiers and designers show their collections inside the «Cour Carrée» of the Louvre museum during the Parisian fashion weeks. This strengthens the position of the designers.

Since 1997, the Parisian fashion shows have been more and more internationalized. In this internationalization must be distinguished:

- Major international brands willing to incorporate to their image the standing of the Parisian couture. The most significant case is of course Armani Privé.
- Brands from emerging markets, already successful in their domestic markets and willing to enhance their reputation by being admitted in the Parisian fashion week. We can take for example the case of the Taiwanese brand Shiatzy Chen.

Creative workers and creative cities in Paris

The "proof" of the creativity is given by a presence in the Parisian fashion shows. The nationality of the creative worker may not be French. Moreover, his previous background may have been in the UK for example.

Besides the fashion show itself, it must be noticed that a full range of activities will help the creative worker in the fashion industry if he is located in Paris. Since decades, small enterprises of accessories work closely with haute couture houses and fashion designers. Moreovor, possibility exists in Paris for fashion businesses to be eligible for sponsoring and even capital investment. Every year a price supported by the French ministry of culture ANDAM is given to a fashion designer located in Paris. It is interesting to notice that a lot of nominates were non French (for example the first one was Martin Margiela and in 2010 the price was given to the British designer Gareth Pugh). Moreover, since several years, an investment fund, called "Mode et Finance" takes minority stakes in fashion companies located in France It invested recently in the Belgian designers AF Vandevorst. Another important asset of Paris is the possibility to work for haute couture, ready to wear or accessories house combined with the possibility of working on the same time for its own label. This is the case

of the Portuguese designer Felipe Oliveira Baptista who created his haute couture house and has also been hired as the designer for Lacoste's ready to wear.

We must also mention the case of non French designers who do not choose to base their activity in Paris but who show their ready to wear or even their haute couture collection in this city. This position may make us think that the city of Paris has a special attraction in itself. Of course, the fashion shows are immediately followed by show-room sales. But the case of Armani shows us that the short-term commercial reasoning is not always the base for a presence during the Paris fashion week. The presence of Armani in Paris can be viewed as the last step of a stretching of a brand.

Creative workers and the city of London

London has very renowned fashion schools and offers a big exposure to its design students with the Graduate Fashion Week. It is also a city where high amounts of sponsorship can be found. However, it has been noticed that the well-known designers coming from British schools tend to come to Paris. The reason is the presence of haute couture and high end ready to wear brands in Paris. One must keep in mind that a designer's brand can not be profitable in itself. For example in the 1980s and 1990s Karl Lagerfeld and John Galliano brands have faced economic difficulties. Therefore, a designer must have other sources of revenues to compensate the losses in its activities. The fashion business cycle leads to need of cash which make the seek for investors a crucial matter.

CONTRIBUTIONS

The importance of the city's heritage appears to be a strong motivation for new members to this professional organization. As one referee told us: "I always knew since I was a student in fashion design, that I would open my «haute couture» house". Besides, the visibility allowed by joining the network appears to be also an important factor. Hence, according to one of the referees: "I think that fundamentally the first motivation of a newcomer is the [fashion show] calendar. (...) There are several advantages, the first one is that there is a very simple advantage of being a member. Since one belongs to a group, we have the possibility to be recognized as being a member of the group (...). As concerns Italy, we look at it because it is the other country of luxury. We coordinate ourselves with Milan because it is the country of beauty, the country of esthetics, creativity is still very strongly implemented and since Paris accepts to play with its small brother who is Milan".

The findings suggest that the legitimacy of Paris, which is still considered as a hub for highend fashion, is the main reason of the implication of creative fashion brands into this network.

The belonging to this network thus allows them to include a premium in their products. Besides, it appears that, if there is a cooperation between economically strong members and newcomers, new members are more in a competition situation.

Conclusion

This study allowed us to see that the city of Paris is used as a tool of legitimacy for fashion designers. We think it gave a contribution to the theory of legitimacy by showing the role played by a professional organization. Further research could be made by studying other industries than fashion and also, inside the fashion industry, by making a similar research in other cities.

References

Adrienssen A. (dir.) (1989), Encyclopédie de la mode, Nathan: Paris.

Animo A., Djelic M.-L. (1999), The Coevolution of New Organizational Forms in the Fashion Industry: A Historical and Comparative Study of France, Italy and the United States, *Organization Science*. Vol. 10, 5: 622-637.

Ashforth B.E.& Gibbs B. W. (1990), The Double-Edge of Organizational Legitimation. *Organization Science*, Vol. 1, No. 2: 177-194.

Benjamin BA, Podolny (1999), JM. Status, quality, social order in the California wine industry, *Administrative Science Quarterly*, 44: 563-589.

Bourdieu P., Delsaut Y. (1975), Le couturier et sa griffe : contribution à une théorie de la magie, *Actes de la Recherche en Sciences Sociales*. *N*°1 : 7-36.

Chapin C., Communian R. (2010), Enabling and Inhibiting the Creative Economy: The Role of the Local and Regional Dimensions in England, *Regional Studies*. Vol. 44.6: 717-734.

Deephouse D.L. (1999), To be different, or to be the same? It's a question (and theory) of strategic balance, *Strategic Management Journal*. Vol. 20: 147-166.

Delacour H. and Leca B. (2007), Le processus de désinstitutionnalisation d'un FCE : le cas du salon de Paris, AIMS, XVIème Conférence Internationale de Management Stratégique.

Deschamps. Y. (1938), La crise dans les industries du vêtement et de la mode à Paris pendant la période de 1930 à 1937, Libraire technique et économique, Paris.

DiMaggio P. J. & Walter W. Powell W.W. (1983), The Iron Cage Revisited: Institutional Isomorphism and Collective Rationality in Organizational Fields, *American Sociological Review*, Vol. 48, No. 2: 147-160.

Durand R, Hao H, Monin P. (2003), Institutional Change in Tocque Ville: Nouvelle Cuisine as an Identity Movement in French Gastronomy, *American Journal of Sociology*, 108, 4: 795-843.

Du Roselle B. (1980), La Mode, Imprimerie Nationale, Paris.

Granovetter M. (1973), The Strength of Weak Ties, *American Journal of Sociology*, 78: 1360-1380.

Granovetter M. (1985), Economic Action and Social Structure: The Problem of Embeddedness, *American Journal of Sociology*, 91: 481-510.

Grumbach D. (2008), Histoires de la Mode, Editions du Regard, Paris.

Karpik L. (2007), L'économie des singularités, Gallimard, Paris.

Krugman P. (1991), Geography and Trade, MIT Press, Cambridge, MA.

Marshall A. (1898), Principles of Economics, Macmillan, London.

Merlo E. (2003), Moda Italiana. Storia di un'Industria, Marsilio Editori, Venezia.

Merlo E. & Polese F. (2006), Turning Fashion into Business: The Emergence of Milan as an International Hub, *Business History Review*, 80: 415-447.

Meyer J.W. & Rowan B. (1977), Institutional organizations: formal structure as myth and ceremony, *American Journal of Sociology*, 83: 340-63.

Oliver, C. (1992), The antecedents of deinstutionalization, *Organization Studies*, 13: 4, 563-588.

Olson M. (1965). *The Logic of Collective Action*, Harvard University Press, Cambridge, MA

Polanyi K. (1944), The Great Transformation. The political and economic origins of our time, Beacon Press, Boston.

Polanyi K. (1957) in Polanyi K. and Arensberg C. (1957), *Trade and Market in the Early Empires. Economies in History and Theory*, The Free Press, New York.

Scott A.J. (1998), Regions and the World Economy: The Coming Shape of Global Production, Competition and Political Order, Oxford University Press, Oxford.

Scott A.J. (2000), The Cultural Economy of Cities, Sage, London.

Shapiro C. (1983), Premiums for high-quality products as returns to reputation, *The Ouarterly Journal of Economics*, 98(4): 659-680.

Shamsie J. (2003), The context of dominance: an industry-driven framework for exploiting reputation, *Strategic Management Journal*, 24(3): 199-215.

Simon P. (1931), La Haute Couture, Monographie d'une industrie de luxe, Presses Universitaires de France, Paris.

Williamson O.E. (1975), Markets and Hierarchies: Analysis and Antitrust Implications, The Free Press, New York.

Uzzi B. (1997), Social Structure and Competition in Interfirm Networks: The paradox of embeddedness, *Administrative Science Quarterly*, vol. 42: 35-67.