

MANAGEMENT BETWEEN ART AND COMMERCE

Balancing competing institutional logics in cultural
and creative industries

- A case study of Bonnier Books

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Abstract

Cultural and creative industries (CCIs) have been shown to have a great impact on both GDP and employment. Organizations within CCIs often face challenges due to the inherent tensions between art and commerce. This thesis explores how managers handle these challenges through the research question: *How do managers within the cultural and creative industries manage their complex organizational environment deriving from competing institutional logics?* While previous research on both institutional logics and leadership within CCIs are plentiful, there is a call for deeper understanding in the intersection between the fields. Previous studies mainly focus on tools for avoiding situations where institutional logics meet, while we examine how managers enable organizational cross-logic cooperation despite the competing institutional logics. This thesis explores an in-depth qualitative case study of management of competing logics within the publishing industry. We find that though the separation of logics as addressed by previous research is necessary to stimulate artistic creativity, cross-logic cooperation and unity are enabled through managerial relating and sensemaking capabilities. We also find that the formal power of the market logic and the strong informal editorial logic create a double power structure incorporating both Mintzberg's professional organization and Bourdieu's notion that cultural production in its freest state represents an economic world turned upside down.

Keywords: Cultural and creative industries, CCIs, publishing, managing competing institutional logics, sensemaking, relating

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1. Introduction

The economic contribution of the cultural and creative industries (CCIs) was not recognized as an area of research interest until the end of the 1990's. However, in the last decades, CCIs have shown to have a great impact on both GDP and employment rates (EY, 2014)¹, and many acknowledge that CCIs are key players in driving the economy (UNESCO, 2009). The CCIs have changed from only containing classic cultural industries such as publishing, architecture and design, to include new, fast growing industries like web design and computer games (Power, Nielsen, 2010).

While there is no universal definition of the CCIs, it is commonly described that “cultural and creative organizations are producing *symbolic goods* where value is primarily dependent upon if the end user find meaning in the symbolic good” (Bilton & Leary, 2002). In a globalized world, cultural production have been capitalized through increasing digitalization, which has shifted the order within the industry and increased the complexity between culture and profit (O'Connor, 2010).

The term *cultural economy* merges the contrast between art and commerce by including them in one organization. Cultural economy is described as organizations engaging in economic activities in which the symbolic or aesthetic attributes are the core of the value creation (DeFillippi et al., 2007). Since the symbolic meaning of cultural products is subjective, it is difficult to estimate their market success, which brings specific challenges to the organizations producing them and the executives leading the cultural organizations (EY, 2014; Caves, 2000). The complex market situation due to the judgment power of external actors often coincides with a complex internal organizational environment.

The internal tensions in cultural and creative organizations can be described through competing institutional logics. Institutional logics are broadly defined as “patterns of beliefs, practices, values, assumptions and rules that structure cognition and guide decision-making in a given field” (Thornton & Ocasio, 1999). Companies operating in the CCI often accommodate two or more institutional logics leading to different practices, norms and purposes within one organization (DeFillippi et al., 2007; Alvarez et. al., 2005; Alexander, 1996; Glynn, 2000; Eikhof & Haunschild, 2007). In many cultural organizations the competing logics can be divided into the production versus the distribution of the symbolic goods (DeFillippi et al., 2007).

The multiple institutional logics in CCIs are a stable condition rather than a result of organizational changes. This derives from the fact that the artist producing the symbolic meaning often stands for the ‘art’ whereas the distribution of the symbolic products stands for the ‘commerce’² These organizations can be hard to manage since artists tend to work outward to realize inner visions making them unwilling to commit to financial results (Caves, 2000). DeFillippi et al. (2007) argues that there are both cases where two logics are totally linked together and cases where the logics are totally decoupled.

Though the number of studies about institutional logics has increased rapidly during the last decade, they still remain on a rather conceptual level. The scholars who have attempted to understand organizational responses to conflicting logics have so far paid insufficient attention to the experiences and reactions of individual organizational members. Hence, this research field needs further development (Pache & Santos, 2013; Lounsbury & Boxenbaum, 2013).

¹ CCIs are the third biggest employer in EU, generating 4.2% of EU's total GDP (EY, 2014)

² or similar terms such as culture vs. economy, literary vs. market

1.1 Purpose & Research Question

The purpose of this thesis is to address the gap in the literature of management in cultural and creative organizations containing competing institutional logics through examining the case of an international publishing group: Bonnier Books.

As previously identified, the CCIIs are often characterized by competing institutional logics (Eikhof & Haunschild, 2007; Alvarez et. al., 2005) as a result of the differences between ‘art’ and ‘commerce’ (DeFillippi et al., 2007). While research on institutional logics have reached consensus that competing logics impact organizational operations, few studies have emphasized what the impacts are and how to handle them (Pache & Santos, 2013). Studies have been conducted both in terms of transformations from one logic to another and on how institutional logics vary between different organizations (i.e. Thornton et. al. 2005; Meyer & Hammerschmid, 2006). The focus has however mainly been kept on a conceptual level, with explanations of the sources of institutional pressures rather the responses of organizational members and managers (Pache & Santos, 2010; Lounsbury & Boxenbaum, 2013). Despite the fact that the literature suggests that individuals play an essential role in shaping outcomes in organizations with competing institutional logics, this fields remains underdeveloped (Almandoz, 2012) and limited researches have been made on managerial behavior and actions in such cases (Lounsbury & Boxenbaum, 2013).

In order to address the need of deeper knowledge and understanding of how managers in CCIIs behave and balance in regards to competing institutional logics, this thesis will examine the following research question:

How do managers within the cultural and creative industries behave in order to balance competing institutional logics?

In order to answer the research question and address the research gap (shown by Figure 1, and further discussed and motivated in section 2.3), we firstly need to gain understanding of how, where and why the competing logics are in action in the organization. We thereafter move into the managers’ adherence to the respective logic in order to finally explore how managers act on their adherence and behave in the complex organizational environment.

These three topics will guide our research:

- How, where and why competing institutional logics affect an organization
- Managerial adherence to the competing logics
- Managerial behavior with regards to the competing logics

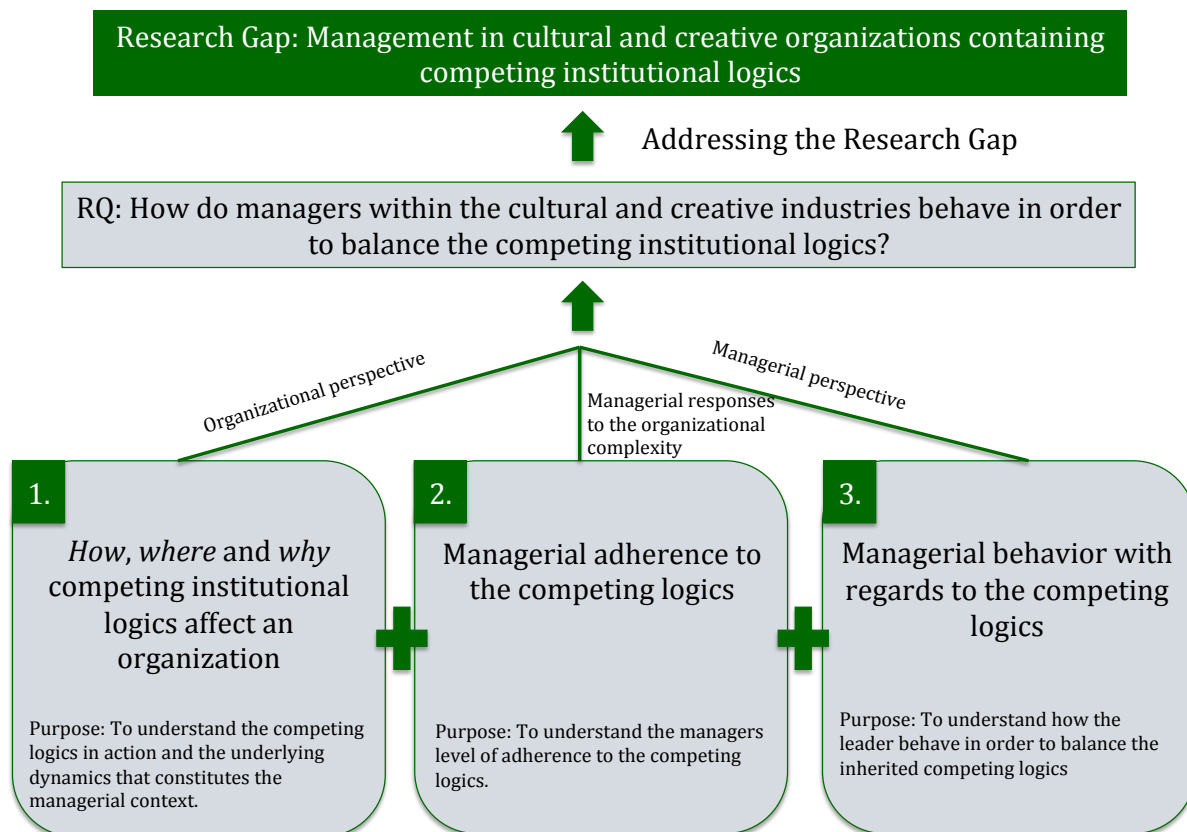


Figure 1: Outlining the research gap and how this study aims to address it

1.2 Case Studied

In order to address the research gap we have studied the management in Bonnier Books, an international organization with operations throughout the publishing value chain. While the publishing industry has been facing a tougher business climate and declining profits after price drops following the introduction of online book retailing, Bonnier Books has been doing remarkably well in sustaining its leading market position and keeping the bottom line positive (Bonnier Annual Report 2014). The better than industry average results indicate an ability to successfully operate despite the competing institutional logics.

Bonnier Books is part of a family owned media giant with operations within for example broadcasting, newspapers and magazines. The modern company originated from the prestigious publishing house called “Albert Bonniers Bokförlag” founded in 1837. Bonnier Books presently contains nine subsidiaries, operating in Sweden, Norway, Finland, Germany, Poland, U.K., U.S. and Australia. Seven out of these independently operating subsidiaries are clusters of publishing houses with different market segments and goals and two are book retailers. Today Bonnier Books is the largest publishing organization in Sweden and is often criticized in media both for its market dominance and for being too commercial³.

Bonnier Books are seen by many as having a responsibility towards society to publish both culturally important and commercially viable products and is a suitable case, representing most large corporations within the CCIs where the tension between art and commerce is inherent. We will use Bonnier Books to understand the challenges of large organizations in CCIs and in other

³ For example: <http://www.dn.se/dnbok/bjorn-wiman-litterar-makt/>

fields characterized by competing institutional logics. Through the case, we aim at targeting the research question and providing insights on management under competing institutional logics in the CCIs.

1.3 Thesis Roadmap

The thesis roadmap is outlined in Figure 2.

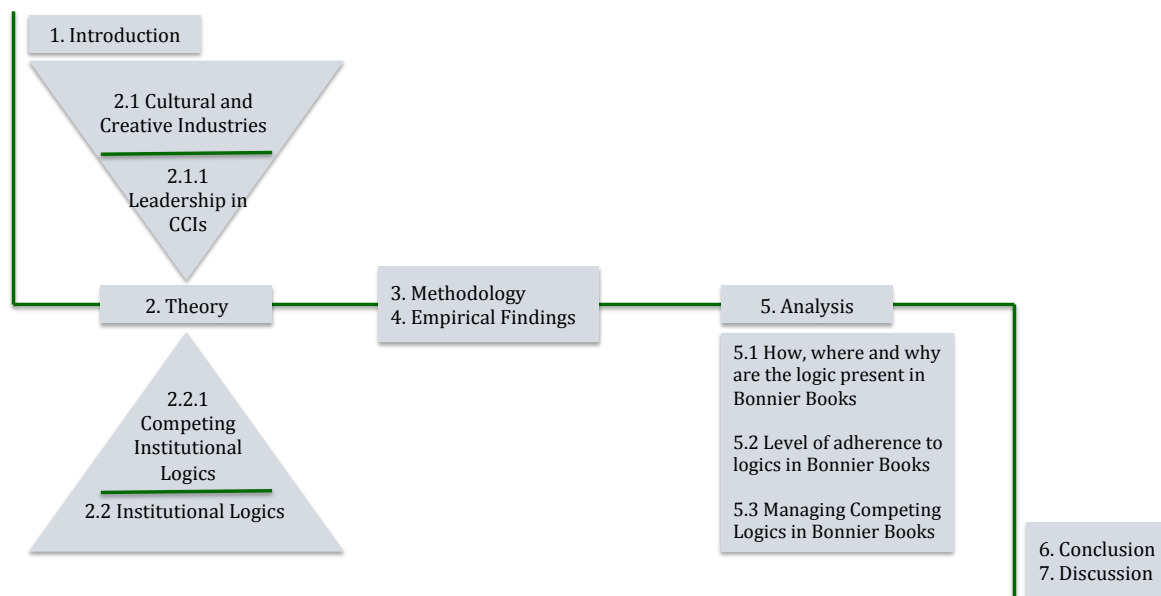


Figure 2: Thesis roadmap

2. Literature Review & Theoretical Framework

This study will examine management in CCI through the lens of competing institutional logics. As shown by Figure 3, we will start by giving an introduction to the CCIs (2.1) and its specific leadership challenges (2.1.1), followed by a literature review of institutional logics (2.2) and competing institutional logics (2.2.1). After identifying the research gap (2.3), we will present the chosen theoretical framework (2.4) and thereafter conclude by presenting the tailored theoretical framework used in our research (2.5).

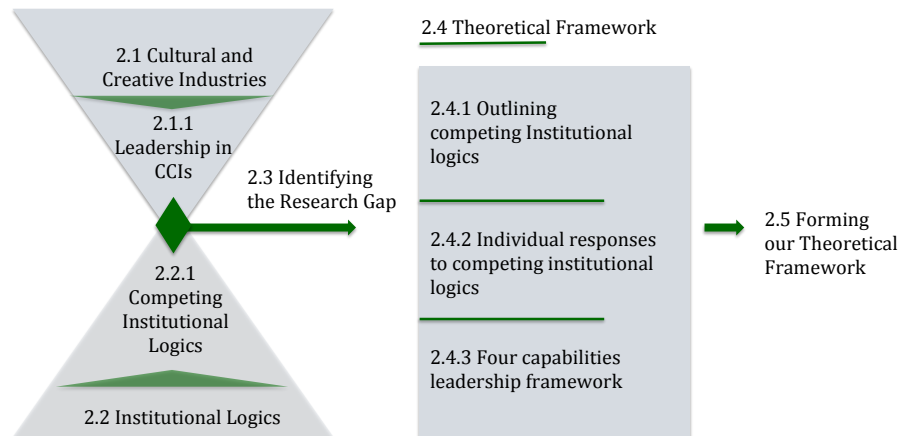


Figure 3: Theoretical outline

2.1 Cultural and Creative Industries

CCIs is an umbrella term for artistic and cultural production and distribution (Bilton & Leary, 2002). The industry contains organizations in fields such as architecture, art, literature and fashion (Howkins 2001). The CCIs can be defined as producing products with an emotional meaning rather than practical value (Lawrence & Phillips, 2002).

One characteristic of the CCIs is the difficulty in assessing the demand and value of products (Caves, 2000). The concept of judging the cultural value of a product is called cultural consecration, which is central in the work of Bourdieu (1993), who has studied publishing in particular. It has also been further examined in more recent studies (i.e. Allen & Lincoln, 2004). Bourdieu (1993) states that there are three forms of cultural legitimacy: specific - given by other cultural producers, bourgeois - given by the institutions and people of the dominant class, and popular - given by public opinion. When cultural production is allowed to work completely freely from economic production (which is very rarely the case), specific legitimacy becomes more important than bourgeois or popular legitimacy. Therefore, a fully autonomous cultural production represents “an economic world turned upside down” (Bourdieu, 1996). Further, Eikhof & Haunschild (2007) use the classic concept “l’art pour l’art” (art for art’s sake), which means that cultural production as creation is made for its own inherent value rather than for financial benefits. In accordance with the definition by Bourdieu (1993) we therefore see high literature as created with the main intention to create specific/bourgeois legitimacy and commercial literature as l’art pour l’art created to gain popular legitimacy.

O’Connor (2010) states that conflicts are inevitable between artistic values and the industrial structures within which they were produced, which in fact only works if a certain set of values

are being shared. This is often avoided as most organizations producing products in an innovative way on a project basis can be recognized as adhocracies (Mintzberg, 1992; Schepers & van den Berg, 2007). Hence, the small independent organizations within CCIs are most often structured as adhocracies, with the advantage of adaptability and flexibility (Mintzberg, 1992). Nevertheless, as cultural companies grow bigger these structures are unsustainable (Mintzberg, 1992). As identified in our case, a large organization within the CCIs has to be more structured but still provide the artist with the freedom (s)he demands. In such cases the companies within the CCI can better be described as professional structures, which is shown by Tomoff (2006).

The professional organization is characterized by a high degree of specialization but decentralized decision-making. The structure is common in organizations that contain many knowledgeable workers demanding autonomy and considerable power. Support staff is often part of a machine structure. The disadvantage with professional organizations is the lack of executive control since power is spread within the organization. Mintzberg (1992)

2.1.1 Leadership in CCIs

The differences between the CCIs and traditional industries have obvious implications for management, as they must deal with an organization that is symbol-intensive rather than only capital-intensive or knowledge-intensive (Lawrence & Phillips, 2002). Academic interest in the CCIs exploded during the 90s and 00s and many studies emphasized that their creative nature requires a different form of management (i.e. Hargadon & Sutton, 1997; Cohendet & Simon, 2007). An important note in the studying of leadership in CCIs is that research cannot be limited to the management in the organization that produce the cultural product but must also be involved in the whole value chain including distribution, circulation and consumption (Townley et al. 2009).

When further looking into the implications for management in the CCIs, a study by Bilton & Leary (2002) states that the key managerial challenges lay within motivation, risk, and productivity. Firstly, extrinsic motivation is often irrelevant for creative personnel and intrinsic motivation in terms of self-identity is much more important. Thus, creative employees are often not motivated by standard motivation techniques (Scott, 2011). The key to motivation, according to Amabile (1999), lies in clearly defining the creative goal while not attempting to prescribe the means. While acknowledging the need for “autonomy around process”, Amabile (1999) appears to share Boden’s (1992) view that setting boundaries for creativity works as a stimulus, not a barrier. Secondly, when it comes to risk the idea is to connect the right amount of resources to ideas in the early phase of the creative process and to the fact that the prediction of financially successful cultural products are hard to assess (Bilton & Leary, 2002; Caves, 2000). Thirdly, managers are measured on financial results as good ideas must be exploited and turned into revenue streams (Bilton & Leary, 2002).

Moreover, artists⁴ work outward to “realize and reify an inner vision” making them unwilling to commit to results within negotiations of value. Artists are likely to trade money for autonomy and self-expression, since there is a unique identity of being an artist- both personal and professional, which also is true for other professions. All together, this make the creative environment difficult to manage from a market perspective, since the artist sometimes seems to ignore the demand side and market value. (Caves, 2000)

The fact that organizations in the CCIs are symbol intense (Lawrence & Phillips, 2002) but cannot fully rely on the cultural production without making “an economic world turned upside

⁴ In this case authors

down” (Bourdieu, 1996) demands CCIs to incorporate other organizational practices. When these practices differ in terms of for example norms, values and goals, the situation can be described through the concept of competing institutional logics.

2.2 Defining Institutional Logics

Since institutional logics in different shapes began to be examined in the mid 20’s century, several definitions have evolved. However, researchers define it similarly with the common base that institutional logics *guide social action in organizational practice* (Friedland & Alford, 1991; Lounsbury, 2007). Thornton (2004) defines the term as: “Taken for granted resilient social prescriptions that enable actors to make sense of their situation by providing assumptions and values, usually implicit, about how to interpret organizational reality, what constitutes appropriate behavior, and how to succeed”. In the last decade, research on institutional logics has become one of the fastest growing intellectual domains in organization theory (Lounsbury & Boxenbaum, 2013).

The concept of institutional logics stems from the overall study of institutions, beginning with the empirical analysis of organizations and their institutional environment by Selznick (1949) and the theorizing of how organization are integrated in societal institutions by Parsons & Bales (1956). The term institutional logics was however not introduced until 1985 by Alford and Friedland with the purpose of describing the contradictory beliefs and practices that lies in the institutions of modern western societies.

Alford and Friedland’s original definition of institutional logics describes political democracy, state bureaucracy and capitalism as the competing institutional orders. Each of these orders contains different beliefs and practices that form individuals’ engagement in political struggles. Thornton (2004) later revised the main institutional orders to “the market, the corporation, the professions, the family, the religions, and the state” and in 2012 Thornton et.al. also added the community. Alford and Friedland (1991) states that all institutional orders have their own central logic that provides organizing principles and identities. The literature on institutional logics is predominantly based on the assumptions that members’ attitudes toward a given logic are driven by the degree to which they have been embedded in this logic through prior education or professional experience (DiMaggio & Powell, 1983).

While this first stream of institutional logic research mainly focused on identifying institutional logics in organizations, consequences of organizational decision-making, (Thornton & Ocasio, 1999) and effects of logics that shift over time (Lounsbury, 2002; Sewell, 1996). Further research suggests that institutional logics are rarely one-dimensional but that individuals are exposed to multiple logics at the same time (Pache & Santos, 2010). These studies were the start of a second stream within the research field, focusing on plural or competing institutional logics.

2.2.1 The complexity of competing institutional logics

Nowadays it is established that logics are historically contingent and that organizational fields usually are structured on multiple logics, which often are in conflict with each other (e.g., Misutka et. al. 2013, Reay & Hinings, 2009, Thornton et. al. 2005). Researchers have contrasted multiple intra organizational logics in different fields such as: editorial and market logics (Thornton & Ocasio, 1999), fiduciary and corporate logics (Thornton et. al. 2005), medical profession and market logics (Scott et al. 2000) and administrative and managerial logics (Meyer & Hammerschmid, 2006).

Recent research has shown that conflicting and overlapping institutional logics create strategic ambiguity creating pressures which organizational managers and participants have to handle (Greenwood et al. 2011; Pache & Santos 2013). Organizations addressing competing demands face challenges since satisfying one demand might require violating the other(s) and therefore potentially jeopardizing organizational legitimacy (Pfeffer & Salancik, 1978). Due to this, management chooses to strategically decouple or couple events between the competing logics (Alvarez, et. al. 2005; Reay & Hinings, 2009).

Another assumption regarding institutional logics is that individuals either resist or comply with a specific logic, which neglects that individuals can also be indifferent to the logic or adhere to it without agreeing upon all of its core concepts (Lok, 2010). Alternatively, individuals might comply with multiple logics at the same time (Meyer & Hammerschmid, 2006). Consequently, organizational responses in a hybrid or conflicting context are unlikely to be uniform (Ibid). These insights are aligned with the long-standing interest in how organizations respond to different institutional pressures (Boxenbaum & Jonsson, 2008). Scholars have focused on how actors negotiate in environments with institutional complexity (Boxenbaum, 2006; Kraatz & Block, 2008). Other researches have shown that altering or establishing their core identities are ways to handle institutional complexity (Dunn & Jones, 2010; Jones et. al. 2012; Pache & Santos, 2010). More research is however required to understand the relationships between logics, especially how and why they become coupled or decoupled, and how these situations may impact social interaction and behavioral outcomes (Lounsbury & Boxenbaum, 2013).

2.3 Identifying the Research Gap

Our research is grounded in the assumption that managers in the CCI face paradoxical challenges since they have to handle competing institutional logics (Lampel et. al. 2000; DeFillippe et. al, 2007; Alvarez et. al. 2005; Glynn, 2000; Alexander 1996; Caves, 2000).

The competing institutional logics within CCIs can often be attributed to the tensions between cultural production and market distribution (DeFillippi et. al. 2007). Eikhof & Haunschild (2007) are examining the competing logics in CCIs in terms of the economic logic of practice⁵ and the artistic logic of practice⁶, which is often associated to profitability vs. exploration of art (DeFillippi, et. al. 2007). Eikhof & Haunschild (2007) also touch upon the combination of logics by stating that “every individual actor involved in creative production constantly straddles the art field and the business field”.

The tension between art and commerce creates managerial challenges (DeFillippi et. al, 2007), which some studies have explored ways to successfully handle. Eikhof & Haunschild address different personnel’s motivations, while Svejenova et. al. (2007) suggest to loosely couple the logic of art from the logic of commerce. On that notion, Thompson et. al. (2007) offer the insight that musicians self-manage their creativity within a framework in terms of resources and influence set by business people.

⁵ characterized by an explicit market orientation

⁶ characterized by a desire to produce l’art pour l’art

The different strategies to handle competing logics lack direct coherency and few studies within the field of institutional complexity have been applied to the CCI or on a managerial level. (Pache & Santos, 2013; Lounsbury & Boxenbaum, 2013; Kraatz & Block, 2008; Lounsbury, 2007) Most studies have been held on a conceptual level making the behavioral aspect deriving from the competing logics underdeveloped (Lounsbury & Boxenbaum, 2013). Noteworthy is that the most developed strategies on how to handle competing institutional logics avoid situations where the logics meet and thereby go around the tensions rather than handle them. Therefore, this study aims to address the identified gap in the literary body by exploring how managers in CCIs behave in order to balance an organization containing competing institutional logics as shown by Figure 4.

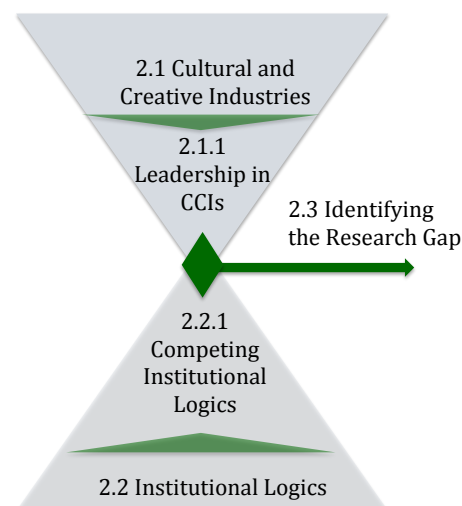


Figure 4 Identifying the research gap

2.4 Theoretical Framework

While previous research on both institutional logics and leadership within CCIs are plentiful, there is a call for deeper understanding on the intersection between the fields. To address the research gap we will base our analysis in three theoretical models. Firstly, we will present a model by Thornton, et. al.'s (2005), which outlines competing logics and their drivers (2.4.1). Secondly, a model by Pache & Santos (2013) identifying individual responses to competing institutional logics will be presented (2.4.2). Finally, we will introduce Ancona et. al.'s (2007) model of leadership capabilities (2.4.3).

2.4.1 Outlining competing institutional logics

In Thornton et. al.'s (2005) study on institutional logic transformation they outline three different cases where multiple logics exist: accounting, architecture and publishing. The article is focused on how the industries and institutional logics therein have changed over time and shows that the publishing industry as a whole has moved from editorial logic towards market logic. Since we are not focusing on the evolvement of the logics, the time perspective will not be analyzed in this study. Thornton et. al.'s (2005) theory will therefore be used to contrast the logics to create understanding for how they look in action.

To outline how the competing logics within these firms differ, Thornton et. al. (2005) have assessed twelve areas in relation to each logic. The areas show where and how affiliation to different logics differ and are therefore useful for our study (the full table: Appendix IV)⁷. However, as the model is used to examine industry changes over time, it is not relevant as a whole when researching constant competing logics within the same organization at the same period of time. We will therefore only use five areas in our analysis of Bonnier Books as seen in

⁷ Economic system are concerned with who gets the profit in the organization, source of authority and governance mechanisms deal only with formal power and control and basis of strategy handles the long term strategy of growth for the entire company. Hence, they cannot be used to examine the present competing logics in Bonnier Books Institutional entrepreneurs, event sequencing and structural overlap provide examples of actors and events during each time period and are therefore irrelevant.

Table 1. We will use the theory to outline the logics in order to see *how, where and why* the two logics are present in the organization.

Table 1: Characteristics of institutional logics

	Editorial Logic	Market Logic
Source of identity	Publishing as a profession	Publishing as a business
Source of legitimacy	Personal reputation Literature value	Market position
Band of mission	Build prestige of house Increase sales	Build competitive position of corporation Increase profit
Band of attention	Author-editor networks	Resource competition
Logic of investment	Capital committed to firm	Capital committed to market return

2.4.2 Individual responses to competing institutional logics

Pache & Santos (2013) are recognized for their work on individual responses to competing institutional logics and their model (described below) is chosen as a framework in this study in order to understand managerial responses. The authors propose that the degree of influence of a logic undertaken by individuals is a function of the degree of availability, accessibility and activation of the logic. They state that a combination of these factors shapes how individuals relate to different logics.

- **Availability** defines the information and knowledge that individuals have about a given logic.
- **Accessibility** refers to the degree of information and knowledge about a given logic that come to the individual's mind.
- **Activation** refers to whether the available and accessible information and knowledge are used in social interactions.

Depending on the degree of availability, accessibility, and activation to a given logic, individuals may relate to the logic in an increasing order of adherence. The core of the argument is that individuals' responses to competing logics are driven by their degree of adherence to each of the competing logics. The different levels of adherence are defined as novice, familiar, and identified. Below these three levels will be further described and outlined in Figure 5.

Novice- Null degree of adherence

An individual who is novice has no or very little information or knowledge about a given logic. The novice-state can be a result of a situation when an individual has never been exposed to the logic or has not interacted with other individuals that are exposed to the logic. The absence of *availability* is a fact; hence the *activation* of the logic is not an appropriate option.

Familiar- Intermediate degree of adherence

An individual who is familiar with a given logic has *available* information and knowledge about it. However, the logic is only moderately *accessible* to the individual. The familiar individual has been acquainted with the goals and means of the logic, but (s)he is not emotionally and ideologically committed to it. Her degree of adherence to the logic is therefore intermediary, and it is possible to activate the logic, but it will not happen automatically.

Identified- High degree of adherence

When an individual is identified with a given logic, the logic is *available* and highly *accessible* and hence likely to be *activated* by the individual. In this state the individual is not only acquainted with the logics but also emotionally and ideologically involved with it. The individual identify him/herself with the logic, both in how the individual is and how (s)he refers to the rest of the world. Consequently, the level of adherence is high.

	Novice	Familiar	Identified
Availability	0	+	+
Accessibility	0	/	+
Activated	0	/	+
	↓	↓	↓
Level of adherence	Null	Intermediate	High

Figure 5: Levels of adherence to competing institutional logics (Pache & Santos, 2013)

They further propose five micro-level individual responses to competing logics: *Ignorance*, *Compliance*, *Defiance*, *Compartmentalization* and *Combination*:

- **Ignorance** refers to an individual's lack of reaction towards the institutional demands, as a result of lack of awareness to the given logic.
- **Compliance** refers to an individual's full activation of the values, norms, and practices prescribed by one logic.
- **Defiance** refers to an individual's conscious and explicit rejection of the values, norms, and practices prescribed by a given logic.
- **Compartmentalization** refers to an individual's attempt to purposefully segment compliance with competing logics. An individual may express full compliance with one logic and refuse a competing one in a given context, and choose to express adherence to the competing logic in other contexts. Hence the individual engage in both logics, but keep them separated, allowing them to secure legitimacy.
- **Combination** refers to the attempt at blending some of the values, norms, and practices prescribed by the competing logics. Combining contradictory logics is often difficult given the fundamental differences between competing logics but some strategies exist in order to handle the differences between the logics. Such strategies involve the selective coupling of intact elements drawn from each logic, (Pache & Santos, 2013) or the development of new values, norms, or practices that synthesize the competing logics (Chen & O'Mahony, 2006).

In the face of competing institutional logics, individuals may thus resort to responses that are available to them when facing a single logic (such as ignorance, compliance, or defiance) or may mobilize more complex responses (such as compartmentalization or combination) that are specifically adapted to instances of institutional complexity. All potential responses are outlined in Figure 6.

		Logic A		
		Novice	Familiar	Identified
Logic B	Novice	Ignore Logic A & B	Comply with Logic A and Ignore Logic B	Comply with Logic A and Defy Logic B
	Familiar	Ignore Logic A and Comply with Logic B	Compartmentalize Logic A and B	Compartmentalize Logic A and B
	Identified	Ignore Logic A and Comply with Logic B	Combine Logic A and B	Combine Logic A and B

Figure 6: Individual responses to competing institutional logics (Pache & Santos, 2013)

2.4.3 Four capabilities leadership framework

The model by Pache & Santos provides a useful tool for investigating individual responses to competing institutional logics but does not handle managerial action for which we use Ancona et. al.'s (2007) model of leadership capabilities. This model is carefully chosen from the massive leadership academic body since it was suitable to the empirical findings. The framework focuses on overall capabilities, rather than providing a how-to guide for managers in terms of skills or traits. This will help us to go beyond previous literature and examine managerial behavior rather than strategic tools⁸ in regards to competing institutional logics.

The Ancona et al. present four capabilities *Relating*, *Sensemaking*, *Visioning* and *Inventing*. *Relating* and *Sensemaking* are enabling capabilities; they help set the conditions that motivate and sustain change. *Visioning* and *Inventing*, on the other hand, are creative and action oriented capabilities; they produce the focus and energy needed to implement change.

Relating

The definition of relating in the leadership framework is “*building relationships within and across organizations*”. Today, the ability to build trust and relationships is often a requirement for managers. However, relating is not always easy and managers trying to foster trust and agreement often reap conflicts instead. This difficulty in relating is especially evident when dealing with people who make sense of the world in a different way.

There are three main ways of relating:

- *Inquiring* is listening with the genuine intention to understand the speaker's thoughts and feelings.
- *Advocating* means explaining one's own views, making clear to others how interpretations and conclusions were reached.
- *Connecting* involves establishing close and collaborative relationships through listening, encouraging, explaining, and reflecting.

⁸ such as decoupling events separating the logics

Sensemaking

Sensemaking in this leadership framework is defined as the understanding of the “*context in which a company and its people operate*”. Weick (1995) compared the sensemaking process with cartography; what we map depends on where we choose to look, which factors we choose to focus on, etc. As our choices will shape the map we produce, sensemaking is more than an act of analysis; it is an act of creativity (ibid). Sensemaking is the never-ending process that enables us to turn the on-going complexity of the world into a comprehensible situation (ibid). Sensemaking does however also involve the transmittance of ones view to another person⁹, which helps ensure that everyone is working from the same map.

Visioning

The definition of visioning in the leadership framework is “*creating a compelling vision of the future*”. Visioning involves creating a map of where the leader wishes to be in the future. As sensemaking, visioning is a continued and collaborative process of articulating and imaging what the members of an organization want to create together. A leader who is strong in visioning has the ability to engage his or her employees to believe in an excited future.

Inventing

The definition of inventing in the leadership framework is “*developing ways to achieve the vision*”. Inventing includes creating and implementing the processes and structures needed to make the vision reality. Inventing can be both small- and large scale and is similar to execution, but the process of inventing requires creativity to help people figure out new ways of working together.

2.5 Forming our Theoretical Framework

In order to address the research question, we will use a theoretical framework creatively combining models on institutional logics and leadership. The framework presented in Figure 7, illustrates how the managers are affected by the organizational environment in managing organizational members operating between institutional logics. We will use Thornton et. al (2005) to analyze how, why and where competing institutional logics affect an organization. We will thereafter analyze the managers’ level of adherence to the logics in the complex organizational environment and lastly examine how they behave as managers. When researching the massive amount of literature on these subjects, we found these three models to be the most suitable to combine to address the research gap.

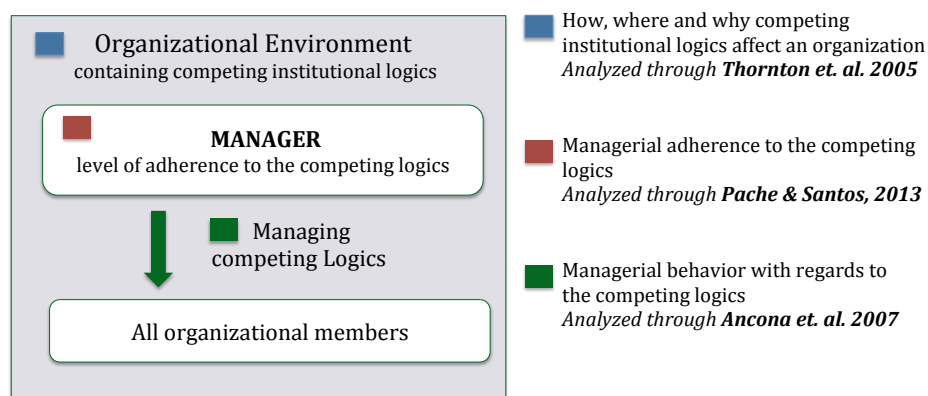


Figure 7: Theoretical framework

⁹ Sometimes referred to as sensegiving including only the transmittance phase of sensemaking (Weick, Sutcliffe & Obstfeld, 2005)

3. Methodology

This chapter will guide the reader through the research design, the methodological choices made and the data analysis. While there is no right way to conduct a qualitative study our methodology aims to maximize reliability, validity and transferability.

3.1 Methodological Fit

Since research in the field of management in CCIs containing competing institutional logics is limited, an explorative study is suitable to map out where it would be valuable to engage in future research (Bell, 2006). After careful evaluations of the methodological fit to this study, a qualitative study method mainly based on semi-structured interviews were used to gather empirical data. A quantitative study would have increased the transferability of the results (Flick 2009), but was not judged to be suitable due to three main reasons:

- I. If a study is characterized by an explorative approach and aims at examining emerging patterns and themes in a partly unexplored research area, a qualitative study is most suitable (Yin, 2003). Additionally, a qualitative study is preferable when the aim of the study is to construct theory rather than to test existing theory (Bonoma, 1985; Parkhe, 1993; Wilson & Vlosky, 1997).
- II. A qualitative method allows for understanding the individual's perspective and actions, distinguishing between patterns of behavior and evaluating the appropriateness of models and theories (Trost, 2010; Flick, 2009).
- III. A qualitative study enables in-depth studies and is standard in the field of management (Yin, 2010) and since institutional logics include norms, values, and beliefs this method was considered appropriate. (Friedland & Alford, 1991)

A risk with conducting a qualitative study is that the interviewees give biased answer due to not understanding the questions or not wanting to be portrayed in an unfavorable way (Silverman, 2013). Though we tried to eliminate these risks to the greatest possible extent through conducting the pilot study, ensuring anonymity and comparing answers between the interviewees (Flick, 2009), our research is dependent on the interviewees' sincerity; a situation that cannot be fully avoided.

3.2 Research Approach

A research approach determines how the study combines existing theory and gathered empirics to evaluate the examined reality in the best possible way (Patel and Davidson, 2011). There are three main research approaches that can be used: deductive, inductive and abductive.

The **deductive** approach utilizes existing theory as a starting point and lets the empirics be guided from the theory, to prove or disapprove its accuracy (Bell, 2006). The **inductive** approach has its starting point in the empirics and from there formulates new theory (Bell, 2006). For this study we have chosen an **abductive** approach to enable understanding of managing competing institutional logics. The abductive approach combines the deductive and

the inductive approach by first formulating a theory based on the case, thereafter testing its predictions through the empirics and lastly iteratively developing the theory again (Alvesson and Sköldbberg, 1994, Bryman, 2002; Patel and Davidson, 2011). This is considered appropriate in studies that aim to find explanations why particular events occur in specific contexts or conditions (Flick, 2011), making it the best fit to our study.

We started our research by mapping out different theories that examine responses to multiple institutional logics and to some extent leadership frameworks. To be confident that our approach was right for this study, we thereafter tested the theoretical frameworks in a pilot study. Based on the pilot study, we could select the most interesting patterns and contexts in the particular case to further investigate. Thereafter we executed the semi-structured interviews while exploring the most suitable leadership framework for our analysis. This approach was used in order to be open-minded in this unexplored research area (Flick, 2009). We thereafter mapped the empiric findings through the theoretical framework and added the leadership theory, to contribute with new insights to existing theory. Lastly, we conducted a post study with two top managers and one publisher to discuss our findings and ensure that the data had been correctly interpreted (Flick, 2009). The whole process is outlined in Figure 8.

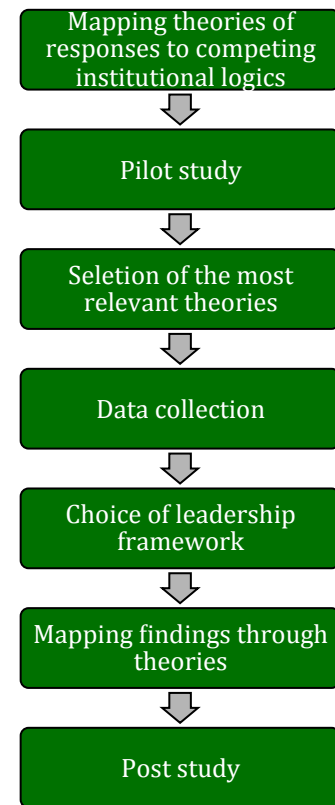


Figure 8: Research process

3.3 Case Study

Case studies are a good research method when studying “how and “why” events occur, when the researches have limited control over events and when the focus is on contemporary events in the real-life context (Yin, 2003). Since these conditions fit our study, a case study method has been used instead of other methods such as surveys, archival analysis, history and experiments. We could have added surveys to strengthen the data, but decided not to, since the in-depth qualitative interviews were considered sufficient. Some scholars argue that case studies are only useful to form hypotheses and that their validity as contributing research therefore is limited (i.e. Abercrombie et al., 1984). Flyvbjerg (2006) does however conclude his article on the relevance of case studies by stating that it is a valid and sufficient research method.

3.3.1 Choice of a single case

Since our research question aims to describe a real-life phenomenon and gain deep understanding and since the shape of the study is explorative, we have chosen to conduct a single case study (Yin, 2003). Since we need deep understanding of behaviors from many managers in different positions to draw relevant conclusions in a rather unexplored field, a single case study was deemed most suitable (ibid). As all organizations have different missions, values, and histories, conducting a multiple case study could have hindered creating understanding in this complex field and thereby reduced the contribution of the study. Nevertheless, a multiple case study would be beneficial to identify similarities and differences between different organizations and to increase transferability. However one would have to conduct it with great depth in each organization, which in our case was impossible due to time constraints.

3.3.2 Choice of organization

Organizations that produce products within fashion, art, music, publishing etc. are all considered as belonging to the cultural sector, giving the study a greater reach than just publishing. Bonnier Books is suitable as a case as it represents big corporations within the cultural industry where the balance between important products and profit is constantly present. In accordance with the purpose of the study, the findings will rely on managerial behavior in a complex environment rather than on stand-alone manager findings. We will therefore start by looking at the organizational context and thereafter examine managerial behavior, which increases the academic contribution.

Bonnier Books consist of nine different subsidiaries, five in Sweden and four abroad. The subsidiaries are significantly different when it comes to value chain position, market position and type of publishing genre. Due to different ownership situations and time limitations, this study is focusing on the Swedish, Finnish, German and English speaking organizations. All subsidiaries operate independently but are part of the Bonnier Book group. Hence, nine CEOs run their subsidiaries independently.

The international context of Bonnier Books brings two main challenges for the study. Firstly, national cultures strongly affect people (Hofstede, 1994) and managerial styles might therefore be affected by national context. Secondly, organizations within the Nordic publishing industry are mainly privately owned whereas publishing houses in countries with more widespread languages are publicly held. This somewhat limits the transferability of the study but we still believe it to be internationally viable as the international context allows us to gain insights in regards to the competing logics beyond such influencing factors.

The case company is a suitable case because of two main reasons:

- I. It has been successful in a struggling industry. The President of Bonnier Books has articulated that one of the main success drivers is the relatively newly recruited CEO's in the subsidiaries, which makes investigating how managers in these organizations act interesting for the fulfillment of our purpose
- II. Bonnier Books contains different parts of the value chain in the publishing industry. This structure enables us to include multiple managers in different hierarchical levels and value chain positions, which is beneficial both as it provides us with comprehensive empirics to the study and because the managers have varying skillsets, roles and backgrounds, which enable us to look beyond classical personal traits and into how the managers actually handle the logics giving the case a greater contribution. It also enables insights about how managers are influenced by their complex environment dependent on their position in the value chain.

3.4 Pilot study

A pilot study may be used to refine the method for the final study and provide opportunities for practicing and identifying possible warning signals prior to rolling out the entire research (Yin, 2010). We executed five pilot interviews lasting between 40 and 60 minutes with different managers to test the research question's relevance for the case organization and the design of the semi-structured interview method. We asked open questions about potential obstacles in their management, conflicts and areas of improvement, to let the interviewees talk freely about their management and its challenges (Appendix I) (Flick, 2009). By this, we were able to limit

our research to the most interesting parts in CCIs and to redefine some questions. It also gave us an understanding of the corporate culture and the profiles of the different empiric groups, which helped to execute the coming interviews.

3.5 Data Collection

The main source of data collection in this study is in-depth semi-structured interviews. We have also used internal documents to benchmark some of the collected data.

3.5.1 Interview sample

The interview sample consists of 24 interviews, five as part of our pilot study, three were post-interviews and 16 were data collecting in-depth interviews. The semi-structured interviews lasted for 40-70 minutes (Appendix II). Three out of the semi-structured interviews were held via Skype and the rest were direct meetings. Interviews were conducted with managers that differed in terms of hierarchical, vertical, and, geographical position to obtain a wide array of insights, as shown in Figure 9 (Appendix III). Prior to the interviews we had a hypothesis of how to divide them into categories, which was confirmed after the data collection.

We have divided the interviewed managers into four categories, based on organizational and value chain position, in order to collect high-quality data, increase transferability and enable a thorough managerial analysis (Flick, 2009). The four groups are:

- (1) CEOs of publishing house groups (CEOs)
- (2) Publishing house managers (PHMs)
- (3) Support Function Managers (SFMs)
- (4) Retailer CEOs (Retailers)

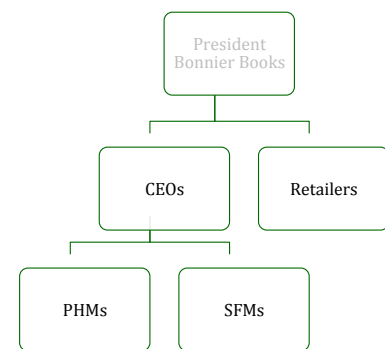


Figure 9: Interview sample

All together the interview sample provided us with a deep understanding of how managers within Bonnier Books behave and act with regards to the competing institutional logics. After 21 interviews the satiation was reached, but we complemented the data with interviews with the top management Bonnier Books Group and a publisher as part of our post study, to clarify the findings and add complementary data.

3.5.2 Interview design and documentation

Semi-structured interviews are recommended for use when the data should be characterized by general information of a certain subject (Quader, 2007). The open-question part, allowed us to gain reliable information with higher quality and enable exploration of concepts that we were not initially aware of (Gillham, 2005). The interviews were structured in the same manner. We started every interview by presenting the authors and explaining the study in order to build a connection and thereafter asked if we could record the interview, which was always accepted. The questions were structured in three parts; the manager's background, a discussion on his/her management (without specifying the competing logics) and questions that could compare actions to the different logics within the organization. The questionnaire (Appendix II)

was used as a basis for discussion rather than as a manuscript. We did not send out the questions prior the interviews, to enable spontaneous reactions and responses rather than programmed answers (Flick, 2009).

The employed interview design was based on the pilot study and discussion with our contact person at the case company. They all stated that it was important to first create relations between the interviewee and interviewers, in order to obtain as transparent data as possible. To build credibility with the interviewees, we clarified that the study was not intended to detect weaknesses and that they would be anonymous, which led to very open interviews where thorough data could be gathered. Ethical dilemmas sometimes occur in qualitative research, especially in terms of ensuring the anonymity of the participants (Silverman, 2013). We therefore continuously checked so that no statements would be easily transferable to a certain person. All but three interviews were conducted in Swedish so most quotations in the thesis are translated. The translations were checked thoroughly to avoid misinterpretations but there is always a risk of losing underlying meanings (Flick, 2009).

Since we use an abductive approach, all findings were continuously reinterpreted. This led to some questions being pushed more in some groups than in others as we realized that different aspects of the study were more relevant to different groups.

Within 24 hours after the interviews we discussed and summarized all data, first individually and later together, in order to decrease potential bias (Flick, 2009). We also transcribed parts of the interviews and added missing quotes and themes into the written documentation of every interview.

3.6 Data Analysis and Interpretation

Our data analysis is built on Yin's (2003) method of pattern-matching, where empirical and theoretical patterns are compared. The emergent theoretical and empirical themes were continuously matched, and from that conclusions could be drawn (Yin, 2003). The analysis was divided into three parts: Firstly, we analyzed each interview and categorized it into one manager category; secondly, we analyzed the categories as groups and thirdly we compared the different groups to each other and to theory. The three-step analysis was completed aligned with the pattern-matching method and was conducted in order to increase the quality of the study (Yin, 2003).

We are aware of the importance of being critical when analyzing collected data. To avoid data misinterpretations, we clarified our perceptions of the interviewees' answers throughout the interviews, which was aimed at improving our data processing and quality-proof our findings (Flick, 2014). In addition, the three-step analysis described above was conducted individually before comparing our insights so that we would not be affected by the co-author's interpretation of the answers (Flick, 2009). Since we also compared the answers within the group we had a second opportunity to identify answers that seemed out of order. In the event that any answers were especially different, we went back to the recorded interview and ensured that the question was not formulated in a way that differed substantially from the others. Through this method we aimed at verifying the conclusions gathered from the interviews.

We used the theoretical models to sort the data and make it more comprehensible but also went deeper into the empirical findings to make our own contribution. The deeper analysis of the data was discussed with the case organization in post-interviews to avoid the wrong conclusions to be drawn (Flick, 2009). However, as the managers in Bonnier Books might not be fully aware of the more subtle features of their organization, we had to trust our own judgment and

observations. By using this verifying method in combination with posing critical questions during the interviews, we are confident that we have interpreted the data in an as close to accurate way as possible.

3.7 Quality of the Study

While methods of ensuring the quality of quantitative research are both many and well developed, the issue of assessing qualitative studies has not yet been solved. The two main options are to adapt classical, qualitative criteria (reliability and validity) to a qualitative setting or to develop new criteria specifically for the qualitative research method. While traditional criteria often miss the special features of a qualitative study, none of the alternative criteria solve the problem of adequate quality assessment. We will therefore discuss the quality of our research through the classic measurements reliability and validity and add transferability from alternative methods in order to adapt the quality measurements to our study. (Flick, 2009)

3.7.1 Reliability

Reliability is concerned with the study's quality of measurements (Trochim & Donnelly, 2008). We increased reliability through conducting a pilot study (described in section 3.4)(Flick (2009). Flick (2009) further state that reliability can be increased through formal interview training, which we unfortunately did not have the chance to participate in.

Flick (2009) also states that the reliability criterion for qualitative data should be reformulated in the direction of checking the dependability of procedures and data. It is therefore important that documentation is done properly through stating the difference between statements by interviewees and interpretations by researcher clearly and rechecking the interview procedures to ensure comparability between the different interviewers notes (Flick 2009). Through both taking independent notes and recording the interviews we have tried to fulfill the dependability criterion as well as possible.

3.7.2 Validity

Validity is concerned with whether the researchers see what they think that they see (Kirk & Miller, 1986) Therefore, both the production of data and the presentation of phenomenon are important to judge the validity of a study (Flick, 2009).

The main question concerning the production of data is whether the interviewees had any reason to consciously or unconsciously construct a biased version of reality. To avoid this, the researcher needs to analyze the interview situation for signs of such deformations. To avoid creating invalidity with regards to the production of data we have focused on open-ended questions and given the interviewees time to respond without our interference. We also avoided sharing answers from other interviews to minimize the potential for biases and discussed the interview afterwards to identify influence from the researchers. (Flick, 2009)

When presenting phenomena found in the data the main risk is that the interviewer interprets the material in his/her own way, which might not be shared with other individuals interpreting the same data (Silverman, 2013). Though impossible to eliminate completely, we decreased this risk by interpreting and analyzing the data individually and thereafter comparing and discussing

our respective views (ibid). We also avoided using viewpoints that only one person had mentioned. Another risk connected to the presentation of data is a lack of consideration of alternative explanations for findings (Huitt, 1998). To avoid the occurrence of alternative explanations, we critically discussed our findings both internally and with the president and HR-manager of Bonnier Books in the after study (ibid).

3.7.3 Transferability

Lincoln & Guba (1985) describe transferability as being concerned with to what extent the findings are transferable to contexts beyond its immediate setting. They state that transferability is enhanced the more empirically similar the original study is to the replication attempts. Researchers are therefore responsible for clearly stating the empirical context of the study to ensure transferability judgments to be made. This study is in its qualitative nature not numerically generalizable but as the context of the empirical findings is clearly stated, readers can easily judge its transferability to different settings. We also focused on groups of managers rather than singular people to improve transferability to other companies with the same structure. (Lincoln & Guba, 1985)

4. Empirical Findings

In this chapter the empirical findings will be illustrated. A short background description of Bonnier Books will be presented to outline its managerial environment (4.1) followed by empirical findings divided into the managerial categories (4.2).

4.1 Introduction to the Organizational Environment of Bonnier Books

Bonnier Books has been making profits despite the struggling publishing industry and has at the same time been awarded literary prizes¹⁰. They have implemented large re-structuring initiatives to stand the increased competition by leveraging on in-house competencies. Consequently, the responsibility for PR, marketing, sales etc. now lays in the support functions creating a matrix organization where the editorial core is only responsible for the book production. The editorial goals and the business-oriented goals are hence separated to different functions.

Bonnier Books has to achieve both profit and literary recognition in order to be considered as successful and to satisfy the owners. This contrast is something all interviewed managers recognized and they stated that the entire organization is characterized by a relation-based culture, in that social ties and reliability are essentials in order to succeed. It is worth mentioning that everyone agrees upon that the two-sided goals has been incorporated in Bonnier Books since it was founded in 1837.

4.1.1 The organizational structure in Bonnier Books

Internally, the organizational chart in Bonnier Books is drawn as circles as shown by Figure 10.

The Core of the Publishing Industry

The publishers and authors are in the very core of the organization and are responsible for the production of the titles. They work qualitatively, with focus on publishing 'good' books, which can mean both commercial or/and literary success. Publishers are the ones with the relationship with the authors and with extensive network of other publishers, both in their home market and internationally. These relations are said to be crucial to get hold of foreign manuscripts and potential authors.

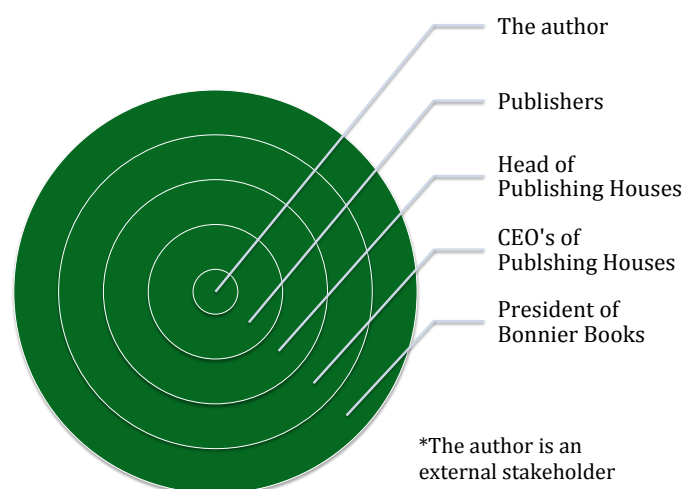


Figure 10: Organizational structure in Bonnier Books

¹⁰ such as Augustpriset and the Nobel prize

The road to becoming a publisher is long and often goes through literature studies and editor positions. Most Bonnier publishers have been with the company for many years and plan to stay until retirement.

“Being a Bonnier Publisher is as far as you can go”

The role of the publisher has changed over the past ten years. In traditionally publishing, the publisher has both the editorial and the commercial power, deciding over title choices as well as circulation and marketing. This has changed after the organizational restructuring.

Titles are chosen in frequent publishing meetings where the publishers meet with their PHM, SFM and support staff such as PR and sales. In the meetings, the publishers bring the projects that they want to pursue and discuss them with the group. It is however very uncommon that a book the publisher is excited about is rejected as the publishers possess the specific “feeling” for picking titles. The PHM and SFM are therefore said to focus more on circulation, marketing and distribution but also to translate market factors to the editorial core, such as wholesaler demand and market trends.

The outer circles as distribution units

As the circles become bigger, quantitative measures become more important in order to match supply with market demand in the most efficient way. The circles outside the publishing core are responsible for marketing, distribution, inventory and IT. They mainly work with finished books and focus on achieving the best sales possible. However, they recognize the value of literature and a title list consisting of both commercial and literary books.

4.2 The Four Managerial Categories in Bonnier Books

The complex organizational environment brings challenges to the managers within Bonnier Books. The identified managerial categories differ in terms of organizational position and thereby have different roles in the complex environment.

4.2.1 CEOs of publishing houses

All four CEOs had a business background prior to joining Bonnier Books, either through education or work. While some have a long history with Bonnier and worked their way up through the hierarchy, others joined at their current position straight from other industries.

“In my position, one doesn't need to have a book interest or literature background. I am a CEO and could have been a CEO in other industries as well”

The CEOs work with several PHMs and SFMs and their main tasks are to coordinate the houses and to create synergies to enable them to become as successful as possible. The CEOs work with setting the long-term strategy and enabling its implementation in the houses. They work closely with both the president and their subordinates through both formal reporting and informal relationships, and they try to adapt

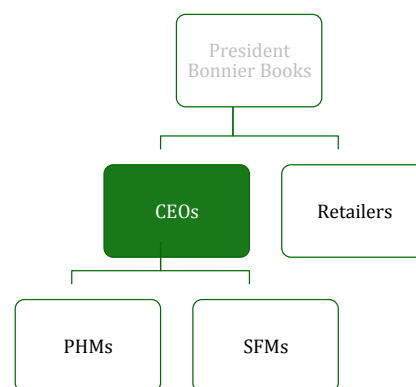


Figure 11: CEO: Four managerial categories

their behavior accordingly. The relation with PHMs is mainly business-oriented and they are provided with a lot of freedom both in terms of how to run their businesses and in ensuring literary value.

“The publishing heads are responsible for their respective publishing house and should have the freedom to decide all titles together with their team”.

Formal goals are set by economic measurements both from their superiors to the CEOs and from the CEOs to the heads of publishing. One CEO has however set cultural goals stating that his houses should win 40 % of the literary prizes each year to maintain the cultural capital¹¹ and to show his subordinates the importance of literary value. However, all CEOs stated that their credibility should be built in their skills at handling an organization, not discussing Nobel Prize winners.

“I bring my masters the money”

The CEOs are all aware of the tension between culture and profit in the industry but they do not feel that it is affecting them a lot in their daily work. Culture and literature are said to be ‘in the walls’¹² and not something that have to be emphasized.

“Since the core of the business always has been literature, I don’t consider it important to emphasize the literary importance, rather to emphasize the importance of meeting the market”

Some of the CEOs state the importance of ‘speaking the language’¹³ to build credibility, but they also think that as their role is business oriented, it is often a good thing to come from the outside without too much respect for the history and context of the company.

The CEOs identify one of their main tasks as fulfilling visions set in cooperation with the president. This is done by breaking down the visions into part goals and creating new visions and ways to fulfill them for the different publishing houses. Though the formal goals are monetary, informal relationships are also essential in the role of the CEOs, and they emphasize that the industry and Bonnier is very relationship intense.

Apart from the business-focused relations between CEOs and their formal contacts, they also have relationships with actors outside the organization such as authors and media. The core position of publishers and authors in the business enables them to speak to anybody. In these relationships, respect for the product while translating the market needs and economic factors are crucial. In relation to media the CEOs often take the role of industry experts while questions that are too focused on literary quality are forwarded to the PHMs. Though the articles citing the CEOs are business focused, they are published in cultural media.

4.2.2 Publishing house managers

All PHMs have an academic background, either in the field of cultural studies, such as literature and art or in business, and have climbed the ladder to their current position within Bonnier.

“I have worked at Bonnier Books for 6 “Bonnier years”, which means that I have worked here for 16 years. The first ten years don’t count at Bonniers”.

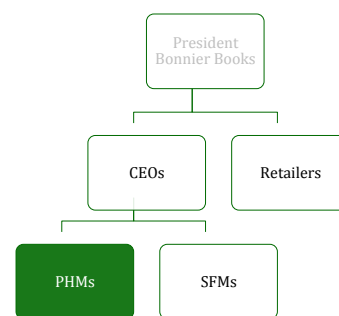


Figure 12: PHM: four managerial categories

¹¹ Cultural capital refers to social assets beyond economic means that promote social mobility Bourdieu (1993)

¹² A natural, inherent part of the organization

¹³ Being able to talk about literature in a credible way

They have a strong book interest and state that literature knowledge is a requirement in their position.

“If you can’t talk about books, you are not reliable”

The PHMs are responsible for the editorial production including budget and employees such as publishers. Their concrete goals are financially oriented while their literary goals are very abstract. Both formal and informal contacts are crucial, making the PHM role very relationship oriented. They state that they spend a large percentage of their working hours building stable relationships and trust. Since support functions are shared between all publishing houses, the PHMs have continuous formal meetings and informal contacts with these functions as well. Furthermore, they are often in contact with the authors in order to build long-term and sustainable relationships with them. Externally they are portrayed as cultural people and articles related to their businesses are always presented in cultural media, even though the content is business.

“I want to be seen as a defender of the free word, not as a ‘number guy’”

The PHMs state that they recognize both the editorial and the corporate side of the organization and emphasize that by referring to their shared responsibilities over the editorial production and the economic results. All of them think that high literature and commercial productions are interlinked.

“High literature can become commercial books, and commercial books enable the production of high literature”

In their formal roles, the PHMs have a strong focus on economic results, due to their financial responsibilities and supervisors’ directives. Some of the editorial employees criticize this focus, causing the PHMs to feel a strong responsibility to translate market factors to them. However, they aim to concretize how to measure cultural achievements as well, for example through winning literary awards.

The PHMs’ management is strongly influenced by the conflict between the editorial and the corporate focuses. The position of the authors is causing further challenges, since they have their own interests and expectations. The PHMs have to give their subordinates freedom in their work in order to motivate them. The heads also emphasize that the core have no economic goals and are only measured based on quality. The PHMs provide them with time and authorization to independently decide which titles to produce and they say that they trust them rather than control them. They also work actively to let their employees work with both high and commercial literature.

While it is important to gain respect and credibility from the editorial core to become a successful publishing head, they also have to actively work to translate the market factor to their subordinates. They do this by demanding pre-calculation and argumentation of each title and by presenting them with special tools. One of these tools is the four-boxed *commercial vs. literary matrix*, shown in Figure 13, which concretely outlines the spread of titles for

Figure 13: commercial vs. Literary Matrix

Commercial Value	Best-sellers	High literature
	Commercial low-reach	Commercial literary
		Literary Value

the editorial core and shows the balance between commercial and high literature that should be upheld.

“I demand a clear argumentation from the publishers for each published title”

The PHMs try to be transparent with their goals and strategies. Within the publishing house this works relatively well, but tensions often occur when cooperating with the support staff, since the core and the support functions have different focuses in their work and are evaluated on different areas. In this relation, the core represents the literature and the staff function the market. The PHMs know the value of inter-unit cooperation and try to create understanding between the core and other organizational parts.

4.2.3 Support function managers

The SFMs have varied backgrounds as their roles are different from each other. Some have an education in for example literature, marketing or digital media whereas others came straight from other industries without a degree.

The staff functions described here are sales, marketing, PR, digitalization¹⁴ and audio¹⁵. While they have different roles within Bonnier Books, they all support the publishing houses, report to the CEOs and have no responsibility for the creation of the product but rather for its various channels of distribution. The SFMs have economic targets and goals related to attention, sales and digitalization and their roles are linking the publishing houses and the market.

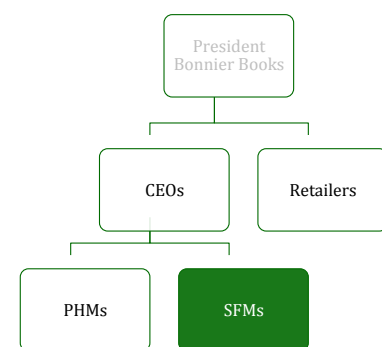


Figure 14: SFMs: four Managerial categories

The SFMs deal daily with the publishing houses by for example providing a market perspective at publishing meetings. Additionally, they have a lot of contact with authors. These cross-functional contacts put the SFM in the role of providing business insight to the core in a way that they understand and can relate to. This requires flexibility and a way to adapt to the people they interact with. In relation to the publishing function, the support functions mainly take a passive role and trust the literary expertise of the core but they sometimes have to stop projects that require too many resources based on their market potential. Even though they try to adapt their behavior, they say that tensions between them and the core often occur in meetings as they start the discussion with very different views.

Managing support functions is a lot about being inventive to adapt to the challenges of the future and motivate the employees to follow the same path. Since the publishing function is hard to make more efficient, support functions need to be as lean as possible, which they continuously try to explain to the editorial core. However, while motivating employees and maintaining the profit focus, the managers communicate the literary context and the cultural value that the products provide. One manager has implemented one hour of reading and discussing books every week for his/her employees, to emphasize the context. Another states that:

“We want to have a wide selection of titles and my employees would not like if the narrower titles disappear. It would make it more plastic”¹⁶

¹⁴ the production of e-books

¹⁵ the production of audio books

¹⁶ Plastic in this setting refers to unauthentic

They also state that their role as managers is a lot about supporting their employees when they are building relationships both externally with parties such as media, distributors and authors and internally with the publishing functions. It is important to represent their organization in a credible manner since the book industry is relation-based and relatively small.

“The strong need for representation is evident if you look into our representation expenses”

To gain credibility is stated as important and defined as both being professional in ones role and as knowing the product. The managers do however emphasize that the latter is generally never a problem as they have more than enough knowledge about literature within the organization. Instead, most often they act as pure business (wo)men by emphasizing the market factors and financial outcomes. One person said that (s)he sometimes falsely state that (s)he does not read books in order to clearly communicate his/her responsibility.

4.2.4 Retailers

The Retailers have both worked within the Bonnier organization for many years in different positions and companies. Prior to joining the company they obtained degrees in business related topics and worked in other industries. Their roles today are purely retail and they both state that the fact that their companies are owned by Bonnier Books has very little effect on their work

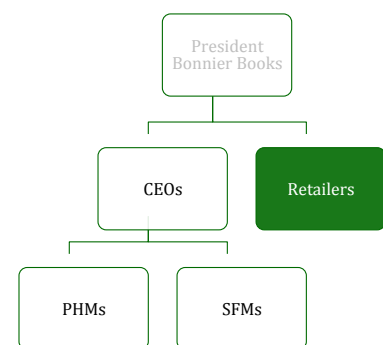


Figure 15: Retailers: four managerial categories

“We are not a Bonnier company, we just happen to be owned by them”

The Retailers report to the president of Bonnier Books and their relationship is purely financial. The president has very little to do with the daily business in their organizations and they also have limited contact with the publishing houses and its support functions. However, contacts between different companies within Bonnier Books and in the industry are common and building relationships both forward and backwards in the value chain are a crucial aspect of the management function.

Most employees have a business background but an interest in books and they join the retail organizations because they like the product. The exception is the store personnel and buying functions who in many cases have a literature degree or are literature students.

Though the Retailers are aware of the competing interests of literature and profit in other parts of Bonnier Book they do not see it as a problem in their own companies. They both mention that the different interests were much more present in their previous jobs within Bonnier where they had to handle the tension.

“I don’t need to be on my toes during discussions in this position”

In retail, long term strategizing, implementing changes and motivating employees are the most important managerial traits. At the same time they emphasize the importance of liking and knowing the product, as it is the core of the industry.

“It is not necessary for me to read, but I use the fact that I do to my advantage”

The main focus of the Retailers is growth and they both have a very entrepreneurial focus. Neither of them feels like they need to emphasize their cultural context as it is embedded in the walls. They rather push entrepreneurship.

The Retailers do not feel that they talk differently to people in more product proximate positions than to pure business people, as the economic focus is so clear within the organizations. Externally, they and their companies are described in the business press and in financial contexts. It is however important for their internal credibility and trustworthiness to stay away from sell outs and show that they are serious about literature.

5. Analysis

This section will merge theory with empirics to analyze the management within Bonnier Books and investigate the research question. In section 5.1 we will analyze how, where and why the logics are present in Bonnier Books on an institutional level. 5.2 will thereafter examine how managers respond to the logics through Pache & Santos' (2013) model of logic adherence. Finally, Ancona et. al.'s (2007) model will help us to analyze how the managers behave in order to balance the competing logics (5.3) as outlined in Figure 16.

5. Analysis
5.1 How, where and why competing institutional logics affect an organization
5.2 Managerial adherence to the competing logics
5.3 Managerial behavior with regards to the competing logics

Figure 16: Outlining the analysis

5.1 How, Where and Why are the Competing Institutional logics present in Bonnier Books

This section will provide an analysis on an organizational level by examining *how* (5.1.1), *where* (5.1.2) and *why* (5.1.3) the competing logics within Bonnier Books are in action. Bonnier Books is formally ruled but the market logic.

5.1.1 How the competing logics are in action in the organization

Thornton et. al. (2005) identify publishing as a field with competing institutional logics. To illustrate, exemplify, and analyze the competing logics within Bonnier Books we have chosen to discuss the market versus editorial logics in terms of source of identity, source of legitimacy, band of mission, band of attention and logic of investment as outlined in Table 1. While Thornton et. al. (2005) are focusing on changes in the dominating logic over time, we use the model to examine how the logics in action differ in an organization with inherent competing logics. This brings out the underlying dynamics and affiliations of both logics within one organization at one time.

Table 1: Characteristics of institutional logics

	Editorial Logic	Market Logic
Source of identity	Publishing as a profession	Publishing as a business
Source of legitimacy	Personal reputation Literature value	Market position
Band of mission	Build prestige of house Increase sales	Build competitive position of corporation Increase profit
Band of attention	Author-editor networks	Resource competition
Logic of investment	Capital committed to firm	Capital committed to market return

The **source of identity** for many people working within Bonnier Books is closely linked to the pride in the product and most employees have a book interest. Publishing as a profession is especially evident in the core of the business where people have a self-image strongly linked to their profession. Publishers work with books because they love literature and most publishers read both at work and during their spare time making their personal and professional identities blurred. (as stated by Caves, 2000) The professional pride of the editorial core makes their work very personal to them, which brings specific organizational- and management challenges in terms of nurturing their pride and love of literature while at least to some extent controlling their work, further described in section 5.3. While, the editorial logic is stronger the closer to production you get, people higher up in the hierarchy as well as in support functions and retail operations see the publishing company as a business. They work towards clear financial goals and though an interest in literature is common, many of them state that they could have worked in other industries as well. Their source of identity is therefore more linked to the market logic and they do not seem to identify with their work to the same extent as the editorial core. This can also mean that they are less reluctant to leave the organization for other opportunities.

Despite the fact that the source of identity varies between the market logic and editorial logic driven organizational parts, the editorial identity is to some extent present throughout all organizational layers. While some of the more market logic driven people state that they could have worked anywhere, they also emphasize that “People care about books” and that “books are in the walls at Bonnier Books”. Clearly, literature is the force that is unifying the organization internally.

Externally, Bonnier is seen as a cultural organization producing products with an emotional rather than practical value (Lawrence & Phillips, 2002). Customers care about the product on a person level, newspapers are writing about Bonnier Books in the cultural section and they are seen as having a responsibility towards society as defenders of the free word.

“People care about books and they create debate in society”

If externally people identified Bonnier as a company, then the focus would be much less intense and more concerned with financial results than the number of poetry books published. For example the introduction of the current president as PHM for prestigious “Albert Bonniers Förlag”¹⁷ were met by concerns about lost literary value from the cultural press rather than statements about the future of the business from the business press.¹⁸ The external pressure is a source of the literature-identity through all organizational layers.

As all managers within Bonnier Books are measured in financial terms, their **source of legitimacy** formally comes from how their units are doing in a market perspective. Managers and support functions are therefore biased towards the market logic. The editorial core gains legitimacy from the editorial logic as they have a strong goal to build and maintain a personal reputation within the industry.

“You become a successful publisher after many years of hard work to build credibility, reputation and a name within the industry”

The legitimacy of publishers is mainly built on the literary value of their titles. An example of legitimacy built on quality is how one editor, in accordance with Bourdieu’s (1993) notion that cultural workers would prefer to solely produce titles giving specific legitimacy, avoids telling his/her friends that (s)he is editing books by a famous, but highly commercial author. The

¹⁷ A classical and well-known publishing house in Sweden

¹⁸ i.e. <http://www.dn.se/kultur-noje/albert-bonniers-forlag-moblerar-om-i-ledningen/>; <http://www.dn.se/kultur-noje/bonniers-okanda-vid-soker-balansen/>

differences in legitimacy are indirectly enhanced by giving the core quality goals and the market-oriented management monetary goals, supported Caves (2000).

The different sources of legitimacy for the production- versus distribution-oriented organization are straightforward when dealing with people driven by the same logic but more complex when production and distribution meet. Since management is driven by the market logic but manage the editorial driven core, they need to gain informal editorial legitimacy as managers. In addition, as Bonnier Books have an editorial source of identity externally, market driven employees need to build editorial legitimacy towards for example media and customers. Managerial implications of the double sources of legitimacy are further elaborated in section 5.3.

The market side of Bonnier Books see their **band of mission** as increasing profitability and growing their business and much effort is put on improving efficiency in the distribution functions. The editorial core is more interested in building reputation through getting good reviews, being acknowledged in literary circles, winning literary awards, which is aligned with Bourdieu's bourgeois cultural legitimacy, and lastly increasing sales, especially in terms of number of titles. Though sales might be seen as a commercial mission it also satisfies the authors.

At first glance, the two band of missions seem difficult to combine, but in reality they are interlinked. Big sales and good reviews on the editorial side and cost cuts on the market side should lead to a stronger brand and increasing profits. As long as the business side gives the editorial core freedom when it comes to their most central tasks (i.e. title choices, author relationships) and the editorial core accepts leaving the distribution tasks to the support functions, conflicts regarding mission can be kept on a low level. This forms decoupling events where the production and distribution are often kept separate and where efficiency project are only held in the distribution functions, explained by Svejnova et. al. (2007) to be efficient to avoid tensions to occur.

The **band of attention** at the core of the publishing organization is building and maintaining the author-publisher relationship and the author's credibility. Since the author-relations of the core are the products that enable the entire business, these networks are crucial for Bonnier Books' business. Relationships are important regardless of position, but the market-oriented parts focus more of their time on distributing the organizational resources.

The shift in Bonnier Books and the publishing industry overall (Thornton et. al. (2005) has changed the band of attention of the editorial core to its current state. Before the restructuring, publishers were responsible for many business decisions such as circulation even though many of them saw it as a secondary task. As these decisions are now put in the hands of specialists the core's band of attention is even more focused on production, which leverage the different organizational competencies. Through the organizational restructuring, the market responsibilities of the editorial core have decreased, making their formal power less apparent. The risk with having experts on all positions is that the logics lose some of their mutual understanding. Bonnier Books is trying to avoid this through having both editorial and market personnel in the publishing meetings where both titles choices and business decisions are made and through this synthesize the competing logics and enable cross-logic corporation (Chen & O'Mahony, 2006).

Managers in Bonnier Books mainly see **investments** as something that should be done to increase the organization's long-term growth. Creating growth is however not straight-forward and most managers have identified that having a wide array of books in their list¹⁹ is important to build external legitimacy and find the next big authors, which enables future revenues. The

¹⁹ The list of titles published in all publishing houses that is presented to customers and media

editorial core functions want investments to be made in the production of more low reach high literature. The low reach titles are seen as especially important due to Bonnier Books' leading market position. All areas in Thornton et. al.'s (2005) model is summarized in Table 2 below.

"If we can't produce them²⁰, who can?"

Characteristics	Editorial Logic	Market Logic	Organizational Implications	Main Conclusion
Source of identity	Publishing as a profession	Publishing as a business	Internal and external pressures lead to that the editorial logic is present throughout the organization	The market logic is formally stronger, but as a result of the underlying editorial power the editorial logic have informal power in all organizational layers.
Source of legitimacy	Personal reputation Literary value	Market position	As a result of the external pressure and the strong editorial core, the market driven people have to use the editorial logic to gain overall legitimacy	
Band of mission	Increase sales Build prestige of house	Build competitive position of corporation Increase profit	The different band of missions lead to that certain events are decoupled and efficiency project and cost cuts are only held in the distribution functions.	
Band of attention	Author-editor networks	Resource competition	The industry shift has resulted in that all divisions are driven by experts, enabling the organization to leverage on the in-house competencies. The formal power of the editorial core has decreased	
Logic of investment	Capital committed to firm	Capital committed to market return	The market driven employees strive for future growth, while publishers aim to produce low-reach titles. To create long-term growth, both perspectives are necessary.	

Table 2: Summary of 5.1.1

5.1.2 Where the competing logics are present

Both logics are present in Bonnier Books but the employees working with book production are closer to the editorial logic and distribution personnel are closer to the market logic. This organizational complexity is common for operations in the CCIs, where one side is focusing on art and the other on business (DeFillippi et. al. 2007). Hence, the further away from the editorial core a position is, the stronger is the market logic. This reasoning can also be applied through a value chain perspective. For organizations producing art (i.e. publishing houses) the entire organization is aware of the editorial logic whereas the editorial logic is weak in organizations only distributing (i.e. retail organization). Since the tasks of production and distribution are profoundly different, the double-logics are natural. The division within the organization is complex as the editorial logic is central in the organizational. Fillippi et al. (2007) have identified that organizations within CCIs often can be divided in production versus distribution but have not examined whether the logics are completely separated or permeate one another. In Figure 17 we outline how the editorial logic are strong in the production (editorial core) and blend out when it reach the distribution and vice versa.

²⁰ [Low reach titles]



Figure 17: Where the logics are present

5.1.3 Why the competing logics are distributed as they are

By using the model by Thornton et. al. (2005), one could think that the logics are equivalent, which is not true. While the market logic is easy to measure and thereby to use to exercise control, the editorial logic is symbolic and indefinable, making it difficult to use as an organizational system in a commercial market. Lawrence & Phillips (2002) describes the symbolic intensity of CCIs to have managerial implications and Caves (2000) states that artists²¹ work to realize inner visions making them reluctant to commit to future financial outcomes. The success and failure of a member of the editorial core is difficult to assess as they might focus on symbolic, rather than monetary value, which is supported by Caves (2000). The editorial core crave power and freedom in their cultural tasks but are not as interested in running a business. The lack of financial thinking in the editorial core and difficulty in measuring their success make the market logic prevailing among managers and thereby the strongest formal logic in the organization.

The two logics within Bonnier Books are at first glance quite easily addressable to the different organizational parts, but the dynamics are far more complex than that. Even though the market logic has the most formal power, factors such as the value creating nature of the editorial core in combination with the strong author-publisher relationships and the organization's cultural identity based in the symbolic good, make the editorial logic powerful. Since the authors are directly linked to the publishers and loyalty many times is formed between them on a personal level rather than to the publishing house as a whole, the publishers are in a way the least replaceable people in the organization. While streamlining the peripheral functions probably has a positive impact on the bottom line, the future success of the company lies in the success of the titles the organization publish, which is controlled by the editorial core. Additionally, there lies a power in the external identity being so closely linked to the production of literature, rather than the distribution. Therefore, though the publishers are at the bottom when drawing the company in a traditional organizational chart, they have a great amount of power.

The fact that Bonnier Books use layers of circles instead of a traditional pyramid organization chart shows the complex power balance in the organization. Instead of putting the publishers at the bottom of the pyramid, the Bonnier Books' circles put them in the middle making them look the most important in the organization. The organizational structure can be described through Mintzberg's (1992) definition of the professional organization, where the editorial core is the

²¹ Artists are in this case the editorial core

professional employees and the employees identified with the market logic are the support functions. Just as with doctors in hospitals or professors in universities that are commonly used as examples of professional organizations, the publishers have very special skills, both when it comes to choosing titles and in relationship-building with authors that cannot be as controlled as production in a non-professional organization. This has implications for management and Mintzberg (1992) describes the lack of executive control as one of the disadvantages of the professional organization structures. He further states that authority and control is spread down in the hierarchy making the power distribution unusual as one can see in Bonnier Books. This is very much aligned with the research on management in CCIs, for example Amabile (1999) who claims that managers should clearly define the creative goals but not the means. The double power structure deriving from the competing logics means that the management in Bonnier Books is losing some of its power.

The distribution of power between the two logics within the organization brings what appears to be two organizational structures into place. The market logic structure is formed in accordance with the formal roles of the employees and looks more like a traditional organizational chart and Mintzberg's (1992) professional organizational structure. However, the editorial logic structure is formed like the market pyramid upside-down with the most editorial people on top. The turned pyramid of the editorial logic is interesting as Bourdieu (1996) states that cultural production without financial restrictions would be "an economic world turned upside down". Thereby the logics in Bonnier Books merge a Mintzberg (1992) market pyramid with a Bourdieu editorial pyramid. The pyramids (shown in Figure 18) show the complexity of organizations containing competing logics, which leads to difficulties managing people who have more power in the other logic.

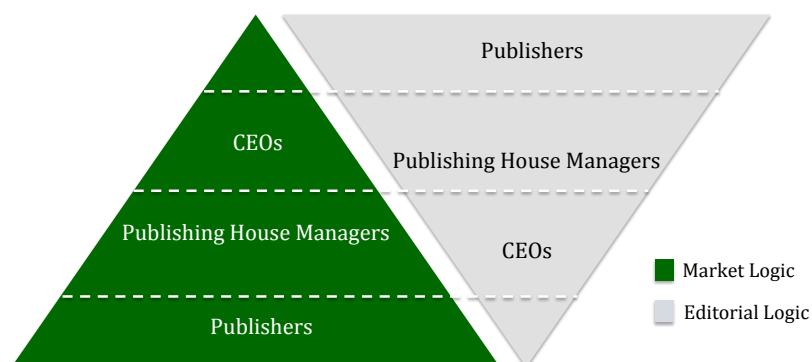


Figure 18: Double power structures in Bonnier Books

Moreover, Mintzberg (1992) has however never looked at the professional organization in terms of competing institutional logics, which, as shown by the triangles above, increase the internal complexity. Our study shows, that the competing institutional logics have their own organizational structures, which are contradicting each other. This indicates that other professional organizations containing multiple logics, can have similar power struggles.

While the existence of the two logics is inherent in the organization, the fact that they are so visible and easily distinguishable tells us something about the management and recruitment decisions in Bonnier Books. Even though the death of the editorial logic due to managerial oppression would most likely be fatal to the publishing house, it would probably increase short-term financial gain. The fact that the organization accepts the editorial logic and gives it space and freedom show the long-term thinking and the editorial identity of the organization.

5.2 Managerial Level of Adherence to Competing Logics in Bonnier Books

5.1 has provided deeper understanding of the institutional logics in action on an organizational level. This section will analyze the managers' level of adherence to the two logics by using Pache & Santos' (2013) model. Enabling us to gain a deeper understanding of how they relate to the competing logics, which will help us to fully understand how they are managing in the complex environment. All managers in Bonnier Books have a similar approach to the market logic and will therefore be discussed together to decrease repetition. For the editorial logic we will however use the managerial categories outlined in Chapter 3 to account for their different stand points.

5.2.1 Market logic

Information on economic goals is highly available for all managers within Bonnier Books and they all work with the business side of publishing every day. While only about half of them have a business background, all have extensive knowledge about how to run their organizations in business matters.

"I had the book knowledge but was forced to learn the business-side "

Market knowledge and information are accessible for all Bonnier Book's managers. Since they are evaluated based on financial performance, they run their organizations based on the business side of operations.

In social interactions all managers have the market logic activated and they discuss the growth and evolution of their respective units in business terms as well as the financial performance of certain products.

Market Logic				
	Available	Accessible	Activated	Level of adherence
CEOs	✓	✓	✓	Identified
PHMs	✓	✓	✓	Identified
SFM s	✓	✓	✓	Identified
Retailers	✓	✓	✓	Identified

Figure 19 Level of adherence to the market logic

As one can see in Figure 19, all four categories of managers within Bonnier Books have the market logic available, accessible and activated. In accordance with Pache & Santos they are thereby identified with the market logic and their adherence is high. Being identified with the market logic means that the managers are emotionally and ideologically involved with it. This is visible in Bonnier Books where the managers are representing their unit's financial performance and setting the vision in terms of the economic future. They are also responsible towards their superiors to show financial results and they spend most of their time achieving financial goals. This is evident when one CEO says that he brings his "masters" money, which shows the taken for granted nature of the market logic.

5.2.2 Editorial logic

Literature is the core of Bonnier Books' business and is visible throughout the organization. While not all managers within the organization read Nobel Prize winners, the pride of delivering a product that matters is present in all the different functions. All managers understand the value of producing both high literature and commercial books and information on the editorial logic is therefore available for all managers.

"It's important to have some high literature on the list, both from a commercial and a literary perspective."

Though the editorial logic is accessible for all managers, it is accessible to different degrees. The Retailers are aware of the importance of having certain products with a high literary value but rarely actively deal with this information in their distribution-oriented work and thereby have low editorial accessibility. CEOs have a higher degree of accessibility than Retailers as contact with authors, media and in some cases publishers are part of their work. Though working far away from the core, they are part of the production organization and know the importance of acknowledging the editorial core for successful operations. Their main focus is however business giving them a medium degree of editorial accessibility. Staff managers deal a lot with the softer sides of publishing externally in their contacts with customers and media, but are purely business thinking internally and can thereby be seen as having medium accessibility. The PHMs constantly discuss products in terms of quality and always work to produce a mix of books providing both cultural value and commercial success. Since they are the direct superiors of the editorial core their editorial accessibility is high.

Only the PHMs have the editorial logic fully activated. Even though the other groups are aware of the cultural nature of the product, business matters are discussed and thought of in terms of money, not literary value. Since the process of choosing titles is where literary value is discussed, people on levels further away from this core task have little or nothing to do with it and therefore do not think of it. As books are a common interest at all levels of the organization and are frequently discussed as a social topic one could think that the editorial logic would be fully activated throughout Bonnier Books. However, one must distinguish between discussing books as a product which is done throughout the organization, and discussing it as l'art pour l'art which in a professional setting is only done in the core functions and by their direct manager. This might seem contradictory to the discussion about the editorial logic as a unifying force in the previous section, but there is a difference between the editorial logic as a unifying legitimacy provider on an organizational level and individual managers using it actively to form opinions.

Figure 20: Level of adherence to the editorial logic

Editorial Logic				Level of adherence
	Available	Accessible	Activated	
CEOs	✓	✓		Familiar
PHMs	✓	✓	✓	Identified
SFMs	✓	✓		Familiar
Retailers	✓	✓		Familiar

As shown in Figure 20, the PHMs have high adherence to the editorial logic and are identified with it. They see themselves as both cultural and business people, embracing the two logics in one role. This environment puts them in a complex situation, as they are led by the market oriented CEOs and measured on financial goals but lead the editorial core that is more concerned with qualitative literature than financial returns. Consequently, the competing logics are very present for the PHMs, making them actively think from both perspectives in their every-day management. The CEOs, SFMs and Retailers have medium adherence and are familiar with the editorial logic. They are well aware that the discussion on literary value is taking place within the organization and they can talk about the product in a credible way but they are personally judging the products based on financial potential and see themselves as business people working in the publishing industry. DiMaggio and Powel (1983) state that an organizational member's adherence to a certain logic is mainly driven by their previous work and education experience, which seems to be contradicted in this case as most managers in Bonnier Books come from a business context and still have at least medium adherence to the editorial logic.

Since all managers within Bonnier Books are identified with the market logic and are either familiar or identified with the editorial logic they fall within the two lower boxes on the right side; combination (in the case of the PHMs) and compartmentalize (in the case of CEOs, SFMs, Retailers) (Pache & Santos, 2013), shown in Figure 21. The managers thereby take on either of the two responses that are the most catering to both logics and thereby resist more aggressive responses such as defiance, compliance or ignorance. It is worth noticing that if we had looked beyond the managers we would find employees within the organization who belong to other boxes.

		Market Logic		
		Novice	Familiar	Identified
Editorial Logic	Novice	Ignore Market and Editorial Logic	Comply with Market Logic and Ignore Editorial Logic	Comply with Market Logic and Defy Editorial Logic
	Familiar	Ignore Market Logic and Comply with Editorial Logic	Compartmentalize Market and Editorial Logic	Compartmentalize Market and Editorial Logic CEOs SFMS Retailers
	Identified	Ignore Market Logic and Comply with Editorial Logic	Combine Market and Editorial Logic	Combine Market and Editorial Logic PHMs

Figure 21: Managers' responses to competing institutional logics

5.3 Managing Competing Logics in Bonnier Books

We have identified that all managers either compartmentalize or combine the competing logics, but while both interesting and compliant with our study, these responses are not specifically adapted to managers. To form a clear management perspective, we will therefore add Ancona et al.'s leadership framework to detect managerial behavior in how they balance the competing institutional logics.

5.3.1 Publishing house managers are combining the logics

The PHMs are the only group of managers that are combining the two logics, since they are identified with both logics. According to Pache & Santos (2013), combination refers to the attempt by the individual to blend some of the features of the different logics to try to involve both of them in their daily work.

Relating through shading identities

Since the PHMs lead the core and are led by the CEOs, they have to relate to people adherent to both logics in their daily work. This complex situation is however natural for the PHMs since they are identified with both logics. Relationship building takes place both during meetings and in the corridors. As stated in chapter 5.2, the PHMs can be seen as having two different identities; one editorial and one market oriented. These identities are mainly combined but when building relations the PHMs often conceal one logic to emphasize the other.

When the PHMs relate to the editorial core, they therefore emphasize their literary interest and knowledge and shade their business focus

“You have to know books in order to be reliable”

Hence, respect and legitimacy from the core is gained through the process of shading the market driven norm and practices, which leads to trusting relationships, which in turn facilitate the PHMs' management. By relating to the core's identity and by showing respect for their work and competencies, stable relations can be built. In relationship building with the core inquiring and connecting activities through showing understanding and appreciation for the core's work is thereby more important than advocating. However, advocating is done through sensemaking (further described in the next section) showing the close link between relating and sensemaking in their managerial behavior. The importance of relationship building and getting the trust of the core is based in the editorial power discussed in 5.1. The reason for the intense downward relationship building to the core is that the main responsibilities of PHMs are market logic driven, making a strong relationship built on editorial values the enabler for communication of financial demands and hence the market logic.

In contrast, the PHMs relate upwards by showing their identity as business people. They relate to their managers by showing engagement in financial returns and the value of commercially successful books. In order to understate the editorial logic they use rhetoric such as: “Producing high literature is editorial care”, which clearly separates themselves from the editorial logic and show compliance with the market logic.

Sensemaking the combined logics

While the PHMs are relating by concealing one of the opposed logics, they combine the two logics in their sensemaking activities. The sensemaking activities are done to create a common understanding throughout the organizational layers²². By their two-way sensemaking the PHMs try to create new understandings, norms and practices that stand for a mixture between the logics. These actions increase understanding between the logics and as Chen & O'Mahony (2006) state, are an efficient activity to synthesize the two logics in order to decrease the probability of conflicts. The sensemaking activities are used as proactive actions by the managers to enable better cross-logic cooperation built on understanding of both sides. The PHMs are performing downward sensemaking to the editorial core and upward sensemaking to the CEOs and the support functions.

The downstream sensemaking is essential, partly due to the industry movement from editorial focused organizations towards market driven organizations, also described in Thornton, et. al. (2005), making the economic power and the financial focus more visible in the organization today compared to a decade ago. This organizational situation requires the downwards sensemaking activities to be executed often and to some extent quite aggressively. Examples of sensemaking activities are demanding clear arguments for title choices from the publishers and asking critical questions about potential titles, such as whether market demand exists and potential circulation.

As previously stated, the PHMs provides economic frames within which the core has its own freedom, which can be seen as a sensemaking activity. One initiative aimed at making the editorial core see the titles from a market perspective is the *Commercial vs. Literary matrix* described in Chapter 4. The matrix aims at merging the two institutional logics in a comprehensive way, which facilitates the PHMs' market driven discussions around production. The matrix also shows the editorial core that their managers care about producing high literature rather than only commercial titles, and thereby to some extent share core's values, which according to O'Conner (2010) is crucial to make an organization to work. To use frames rather than detailed directives is common both to maintain creativity in the CCIs (Thompson et al. 2007) and to increase motivation and overcome tensions raised from competing logics (Eikhof & Haunschild, 2007).

Another way of sensemaking the market logic to the editorial core is through explaining how commercial success leads to more resources that enable the production of high literature. Through this reasoning, the PHMs try to sell the concept of producing commercial books.

"It starts in the commercial which enables the literary and then moves back to the commercial"

Through these sensemaking activities, the PHMs push the market logic downwards and make the editorial core identify where to look and what to keep in mind in their work and hence enable cross-logic cooperation. This process is similar to cartography²³ which, Weick (1995) compared to the sensemaking process.

The PHMs are responsible for the title list and thereby for the prestige of their publishing houses, which is important for them as they are identified with the editorial logic. Since the PHMs work closely with managers and employees driven by the market logic they feel responsible to sensemake the editorial logic upwards and, if needed, argue for the value of high literature. The relationship between the PHMs and the CEOs is however not as tense as it may seem. Since the PHMs are identified with both logics, they know that success starts with the

²² Aligned with Kraatz and block, 2008, to create a new logic

²³ cartography: what we map depends on where we choose to look, which factors we choose to focus on, etc

commercial and as long as they deliver on the financials, the CEOs do not interfere with the production of high literature. The full sensemaking process is shown in Figure 22 below.

"I don't have to justify the high literary 20 % as long as I'm delivering on the commercial 80 %"

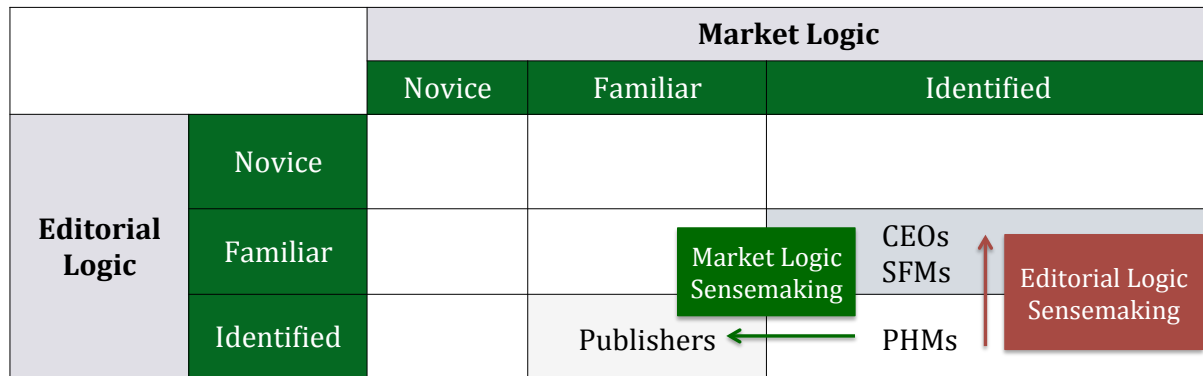


Figure 22: Upward and downward sensemaking

Visioning and Inventing

While small scale visioning and inventing are being performed by the PHMs, these capabilities are not core in regards to handling the competing institutional logics. Visions are mainly set on higher levels in the organization and the invention on these visions are often developed on the CEO-level. The small-scale invention and visioning process is conducted in cooperation with the employees in the publishing houses to ensure buy-in.

The PHMs has a key role in creating a way of working that is combining the logics' practices and norms. Their sensemaking role leads to a more coherent organization where harmony and motivation can be maintained. The sensemaking activities are however only doable as legitimacy is already gained through establishing close relationships in both logics, which enables cross-logic cooperation and hinders conflicts.

5.3.2 CEOs, SFMs and Retailers are compartmentalizing the logics

In Pache & Santos (2013) model, compartmentalization gives the individual legitimacy as they can behave according to different logics at different times and handle multiple logics by separating them. The compartmentalization of editorial and market logics is evident in the manager roles of the CEOs, SFMs and Retailers.

Relating by switching identities

All managers within Bonnier Books, regardless of position, emphasize the importance of relationship building in the publishing industry. They also state that it is more relationship building than most other industries due to relatively its small size, large external interest and the authors' position.

"The world of literature is small and everybody knows everybody"

Internally, there are plenty of both formal and informal contacts within and between different units. Intra-unit relationships are mainly of business character, where the managers can act in accordance with their stronger market identity. However, in relations with units with employees driven by the editorial logic, managers play with their identities and adapt to the editorial logic.

When relating to the editorial core, the managers mention that 'speaking the language'²⁴ is important. This also holds true for other cultural external relationships, such as with media and authors.

"I use the fact that I watch Babel"²⁵

"It is not necessary for me to read, but I use the fact that I do to my advantage"

The fact that the business-oriented managers are emphasizing their deep book interest indicates the importance of having some literature knowledge, despite their business profiles, to bring up when relating. This is a typical act aligned with compartmentalization.

Another example of how managers take on an editorial identity to relate with the core is the quantitative measurement initiated by one of the CEOs stating that his organization should win at least 40 % of the country's literary awards and nominations. The measurement is officially a way to ensure quality but its main contribution lies in showing the editorial core (and external parties) that literary value is taken seriously on higher organizational levels and to increase editorial motivation.

Through adopting an editorial identity as the defender of high literature, the CEO can create harmony, motivation and buy-in from the core. However, a potential consequence of this goal is future tensions, where the editorial core can argue that in order to deliver on the literary goals they want more resources to produce high literature, giving them not only motivation but also power.

It is worth noticing that the managers can quickly switch back to the rhetoric of their logic. By upholding their business oriented mindset in meetings they gain credibility and build relations in their profession as business people, which is important to gain legitimacy in their role and to signal a coherent reasoning. In these meetings they are focusing on numbers, cost and returns, and the symbolic cultural value is transformed to a "normal" product. One example of this situations is when one manager states:

"Sometimes I pretend that I don't read at all just to show that I am a business person"

This switching of identities between "business person" and "literary person" enables good relations to be established between units with different logics, which leads to smoother operations and less tensions between the competing logics. The fact that the managers bother to switch identities when dealing with the editorial core despite the fact that they have higher hierarchical positions, shows the editorial core's power and that the editorial logic permeates the entire organization.

"I adjust my leadership as much as possible"

²⁴ being able to talk about literature in a quality focused way

²⁵ Babel is a Swedish TV show about literature and literature related topics broadcasted on SVT since 2005

Decouple and couple the logics

The knowledge that extra relating activities are required when logics meet each other has implications on the organizing of employees to secure harmony. The editorial core is provided with trust and freedom with regards to production and they get frames such as approximate numbers of titles, rather than detailed directions²⁶. Since the potential commercial and cultural value of literature is difficult to measure the managers need to have confidence, in terms of resources and time, in the editorial core and authors. While returns on confidence are easy to measure in terms of money within the market logic driven units, it is difficult to assess within the core, resulting in the acceptance of “failing” titles, which is very specific for CCIs. This is a way of decoupling the logics, which is shown by Svejenova et. al. (2007) to avoid tensions between logics.

“The boss could decide but he doesn't, you need to invest confidence²⁷ and let the publishers grow”

To decrease conflicts, events that do not require the double logic perspective are held in isolation from the other logic²⁸. Always separating the logics could create a very disrupted organization, which is not desirable for Bonnier Books. To avoid this and merge the two-sided organization the managers join the support functions and editorial core in some formal meetings such as publishing meetings. In these cases the relationship between the logics are already established which facilitates working processes and hinders big conflicts. Tensions still occur in these meetings but the strong social ties between the two sides help the organization reach a solution. Decoupling and coupling activities such as these, have been found important tools in many studies regarding competing institutional logics. (such as Svejenova et. al. 2007; Thornton, et. al. 2005)

Sensemaking the market logic to the editorial core

In meetings between logics it is important to take on sensemaking activities to make the other side understand one's view. The compartmentalized managers only sensemake the market driven logic to the editorial core as market logic sensemaking within the market driven units are unnecessary. Since all managers are market logic driven and since most of the goals are of business character, the downstream sensemaking is very strong. In the sensemaking activities the managers explain the market factors, trends and demands downward. They are trying to find the editorial benefits as a buy-in factor to the market driven actions for example through explaining the relationship between financial success and the production of high literature.

The SFMs are frequently meeting with the editorial core in for example publishing meetings and PR-meetings and as they are representing the market side of the business. One SFM stated that (s)he always asks about potential sales and market size of the products in the publishing meetings and thus try to make the editorial core understand the financial outcomes of producing the title. Tensions often occur in these meetings, which is unavoidable due to the clear areas of responsibilities. Still, cooperation is enabled through established cross-logic relationships.

CEOs deals straight with the PHMs where the relationship is mainly business oriented. When talking to the PHMs the CEOs are aware of their complex managerial situation. Hence they help them to determine how to execute downward sensemaking and to invent sensemaking tools, such as the matrix and literary measurements (described further down). The Retailers have no or very little contact with the editorial logic they do not have to perform sensemaking activities in order to align people. One Retailer state that (s)he does not have to be on the toes as a Retailer, like (s)he had to when (s)he worked within the publishing house organization. This

²⁶ Aligned with the research by Thompson, et. al. (2007) showing that creativity can be enhanced through business frames.

²⁷ [to the editorial core]

²⁸ which has showed to be efficient in previous studies; Svejenova et. al. 2007; Thornton et. al. 2005

indicates that the tensions raised from the competing logics is evident where the editorial core is present, but not in the organizations where the contact with the core is limited.

Many managers stress that it is not important to emphasize cultural value internally, since it is already incorporated in the organization.

“No, I’m trying to emphasize that we are an retailer, which is more important as most people working here already love books.”

The fact that the market logic, on a managerial level, has to be made sense of to a larger extent than the editorial logic is interesting. The managers try to scale down the editorial logic and highlight the market logic, which would not have been necessary if they editorial logic was weak from the beginning. The editorial logic clearly influences the organization due to the power of the core (explained in 5.1), probably more than the managers actually believe. Due to the market logic oriented goals and responsibilities, they sensemake the market logic to achieve their objectives as shown by Figure 23.

		Market Logic		
		Novice	Familiar	Identified
Editorial Logic	Novice			
	Familiar			CEOs SFM
	Identified			PHMs

Figure 23: Downward market logic sensemaking

Visioning and Inventing

Visions are set from the top and transmitted throughout the organization. However, the directives set from the presidential level are wide and open for interpretation on the CEO and Retailer level. Both visions and inventions in Bonnier Books are mainly set in the spirit of the market logic, not for providing the world with better literature.

In the second step the CEOs and Retailers invent on the vision to transform it into actions leading to the intended future. These steps are thereafter transmitted downward in their organizations. Both CEOs and Retailers state that they often set the visions in collaboration with their subordinates to ensure buy-in.

The managers play with the market and the editorial identities to build relationships and legitimacy throughout the organizations, which is a compartmentalization act. When the logics formally meet tensions often occur and downward sensemaking take place to influence the editorial core. Further, CEOs help the PHMs in their downward sensemaking. Sensemaking and relating are leading to better cross-logic cooperation.

6. Conclusions

The purpose of this thesis is to address the academic gap of management in cultural and creative organizations containing competing institutional logics. This section provides the answer to the research question:

How do managers within the cultural and creative industries behave in order to balance competing institutional logics?

We will answer the research question addressing the three identified topics outlined in chapter 1. Section 6.1 will address how, where and why competing institutional logic affect an organization followed by section 6.2 that address how the managers adhere to the competing logics and finally 6.3 will examine how manager behave in order to balance the competing institutional logics. 6.1 and 6.2 are requirements in this study, enabling us to answer the formal research question (6.3).

6.1 How, Where and Why Competing Institutional Logics Affect an Organization

Both logics are present in Bonnier Books but the employees working with book production are closer to the editorial logic and distribution personnel are closer to the market logic. Hence, the further away from the editorial core a position is, the stronger the market logic. Since the management is mainly market logic driven, it is formally the most powerful. However, the editorial logic is present throughout the organization. Internally, credibility and legitimacy can often be built through both market and editorial logic but when dealing with the editorial core or with external parties, the editorial credibility is crucial due to the organization's symbol-intensive nature as part of the CCIs.

The structure of large cultural and creative organizations can be described in terms of Mintzberg's (1992) description of the professional organization. However, the competing logics create a double power structure where the publishers, who are in the bottom of the market-oriented organization, are on the top of the editorial oriented organization. The complex power dynamic, where the market structure is contradictory to the editorial structure, requires special organizational attention in terms of providing freedom under control for the editorial core. The power of the market logic stems from formal positions whereas the power of the editorial logic is created through the publishers' value-creating nature, relationships with authors and special skills, which enable the whole business. Managing this complex power structure is thereby a balancing act between executing control while not killing the motivation and creativity of the core.

6.2 Managerial Adherence To Competing Logics

The market logic is activated for all managers within Bonnier Books. More interesting is however that the editorial logic is at least available and accessible regardless of how far from the core one operates. All managers are thereby familiar with the editorial logic though they may not use it in their personal decision-making process.

The managers' high level of adherence to both logics show that they either combine or compartmentalize the logics. They thereby accept the competing institutional logics and resist more aggressive responses such as defiance and ignorance. The importance of accepting the editorial logic is natural since the literary production is the enabler of a sustainable business. This indicates that managers in professional organizations with constant conflicting logics have responsibilities beyond the normal and therefore cannot take on an aggressive approach while maintaining a functioning organization.

6.3 Managerial Behavior With Regards To Competing Institutional Logics

This study has shown that relating and sensemaking are crucial managerial capabilities for balancing competing institutional logics. Relating and sensemaking are behaviors balancing, rather than separating, the competing institutional logics.

Managers are building relationships with the editorial core by switching identities from the market logic to the editorial logic. Entering the editorial logic when forming relationships enables the managers to gain legitimacy from the editorial core. This facilitates the managerial role and has shown to be a requirement for successful sensemaking activities.

Sensemaking enables the managers to influence the editorial core with the market logic (see Figure 24). This is done through emphasizing the editorial benefits of market success and through explanatory tools²⁹. When this is done successfully, a more coherent organization where cross-logic cooperation, maintained motivation and decreased conflicts are accomplished. However, the sensemaking activities are only doable when legitimacy is established through close relationships. The sensemaking and relating capabilities are thereby enablers and enhancers of each other and cannot operate successfully on a stand-alone basis.

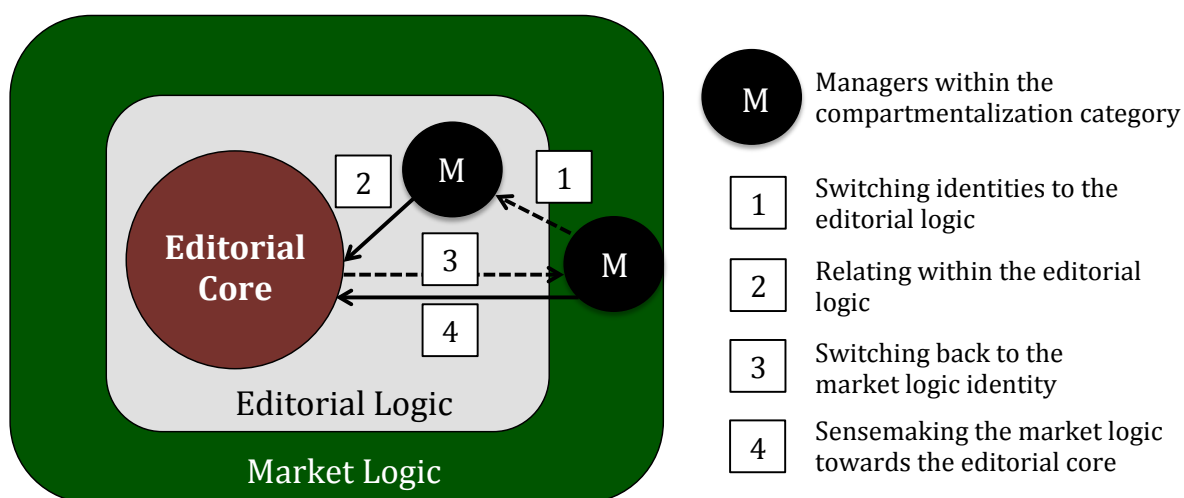


Figure 24: Sensemaking and Relating towards the editorial core

Visioning and inventing initiatives are mainly set based on business goals to maintain a good market position in a dynamic industry. Though visioning and inventing are important capabilities, they are not used to balance the competing institutional logics in this case.

²⁹ such as the commercial -literary matrix

7. Discussion of Main Contributions and Further Research

This chapter concludes the thesis by outlining the main contributions (7.1), discussing practical implications (7.2), stating limitations (7.3) raising areas of further research (7.4) and finally emphasizing the importance of the research field (7.5).

7.1 Main Contributions

While previous research on both institutional logics and leadership within CCIs are plentiful, there is a call for deeper understanding on the intersection between the fields. Previous studies mainly focus on tools for avoiding situations where institutional logics meet, while our main contributions lies in how managers enable organizational cross-logic cooperation and unity despite the competing institutional logics.

Our first contribution is that managers in professional structures in the CCIs should be well acquainted with the logic of the cultural core in order to create legitimacy both internally and externally. Though the market driven employees are not openly identifying with the editorial identity, it is present in all organizational layers and is the unifying force both internally and externally. We therefore speculate that managers in organizations containing multiple logics cannot completely ignore or respond aggressively to one of the two logics, which result in that managers are at least familiar with both logics. If proved correct by further research, this adds to Pache & Santos' (2013) study on individual responses, as well as to the academic body, that the manager's holistic responsibility of the organization includes balancing, rather than decoupling (as suggested by previous research), the complexity of competing institutional logics.

The second contribution is the integration of the concept of Mintzberg's (1992) professional organization structure and management of competing institutional logics. We find that the formal power of the market logic and the strong informal editorial logic create a double power structure incorporating both Mintzberg's professional organization and Bourdieu's notion that cultural production in its freest state represents an economic world turned upside down. This complex power dynamic requires special managerial attention in terms of providing the editorial core with freedom while enabling cross-logic cooperation.

On that notion, our last contribution is that the managers engage in relating and sensemaking activities to balance the competing logics and thereby enable cross-logic cooperation. These capabilities have previously not been identified as central managerial competencies to handle competing institutional logics in CCIs.

Relating is done through switching identities to adapt to the contrasted logic in order to build legitimacy in their field. This indicates that managerial legitimacy towards employees driven by the core logic can only be created by adapting to that logic. Switching identities is not required when relating to people within ones own logic. Therefore, the relating activities are of special relevance in organizations characterized by competing institutional logics, such as cultural and creative organizations.

The legitimacy created through relationships is later used for pushing the market message to the core organization through sensemaking. By engaging in sensemaking activities the managers influence the core and create a more coherent organization. Together, relating and sensemaking increase the harmony in the organization, maintain motivation and avoid conflicts.

The sensemaking and relating capabilities are enablers and enhancers of each other and cannot fully handle the institutional complexity on a stand-alone basis. These capabilities are on a continuous basis used to address the gap between the competing logics rather than decoupling the artistic core, which in previous research about CCIs has been identified as the main way of handling competing institutional logics.

7.2 Practical Contributions

The fact that cooperation between people from different logics is possible as long as relationships and legitimacy are formed, makes the decoupling of the logics prevailing in previous research less dominant than previously claimed. Though decoupling of the artistic creation is convenient, managers should not be afraid of combining the groups in other decision processes to enable cross-logic cooperation and leverage in-house competencies.

The practical contributions should also be taken into special consideration in recruitment and promotion decisions in CCIs. Managers who are not at least familiar with the logic of the core will be unable to build legitimacy in the core and thereby to sensemake the market logic throughout the organization. However, a business background does not hinder building familiarity with the editorial core but it is rather openness and respect that enable successful management of competing institutional logics.

7.3 Limitations of Contributions

This study is of explorative form, making the findings descriptive in their nature. The conclusions drawn may be a base for generalizability, but cannot be confirmed by this study alone. Further, most organizations within the CCIs are neither of the same size nor structure as the case, making the contributions limited to a certain numbers of actors.

Since the main theoretical body in this thesis lies in the area of institutional logics, we have studied management in regards to competing logics and not management overall. This might have influenced the managerial behavior detected in this research and thereby limit the holistic view.

7.4 Areas of Further Research

The explorative nature of this study opens up for several areas of future research. Broadening the study by including other organizations and industries containing competing institutional logics would be of great interest to identify differences and similarities between them. How does management for example differ in organizations where the people producing the product are members of the organization³⁰ rather than external actors³¹. Especially organizations with other structures than professional structure would further contribute to the field, as the power dynamics of the logics might be different. On that notion, further research on the complex formal and informal power structures identified in this study would enrich the academic body on competing institutional logics.

³⁰ i.e. architects, advertisers, designers

³¹ i.e. authors, artists, actors

7.5 The Importance of Managing Competing Institutional Logics in CCIs

The rapid growth and increased importance of CCIs in the world economy make their special challenges and features important areas to research. While previous studies have examined how to handle the specific managerial challenges in the CCIs, this study contributes to the academic body by identifying sensemaking and relating as crucial managerial competencies to successfully manage competing institutional logics. Our study shows that these competencies enable the creation of both cultural capital maintenance and financial success, while upholding organizational motivation and decreasing the occurrence of potential conflicts. By engaging in sensemaking and relating activities, managers can create a coherent organization where cross-logic cooperation, internal and external legitimacy and harmony are achieved, despite the competing institutional logics. On a conceptual level this helps the cultural and creative organizations to maintain the cultural heritage and creative value, which helps the economy to develop. The existence of competing institutional logics in other fields gives our study a greater reach, especially for managers in other professional organizations.

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APPENDICES

APPENDIX I: Questionnaire Pilot Study

Background

- Name?
- Role?
- Time of employment in Bonnier Books?
- Background (education/earlier positions)?
- Who are you reporting to?
- Who report to you?
- Why did you choose to work for Bonnier Books?
- What (formal) goals do you have/what are you measured on?

Understanding Bonnier Books

- Who are in your executive committee?
- How do you work with your superiors?
- How much do you work with the other Bonnier Books companies?
- Who (in terms of the circles showed in chapter 4.1) do you have contact with in the organization?
- How do you motivate your employees?

Management

- What do you think is the most important capabilities to succeed as a manager in Bonnier Books?
- What do you see as your main responsibilities?
- What are your main challenges in your managerial role and in your management?
- What are the main challenges of your company?
- How does the context of Bonnier Books affect your managerial role?

APPENDIX II: Questionnaire Main Interviews³²

Background (limited if a pilot study had been conducted)

- Name?
- Role?
- Time of employment in Bonnier Books?
- Background (education/earlier positions)?
- Who are you reporting to and who report to you?
- Why did you choose to work for Bonnier Books?
- What (formal) goals do you have/what are you measured on?

Management (limited if a pilot study had been conducted)

- What do you think is the most important capabilities to succeed as a manager in Bonnier Books?
- What do you see as your main responsibilities?
- What are your main challenges in your management?

Leading institutional logics

- Is your work affected by the context of Bonnier Books?
 - When?
 - How?
- Do you think that people working with the production of literature have another way of working than people working with distribution?
 - How?
 - Why?
 - Goals/measurements?
- Are you mainly talking about literature or business externally?
- Do you think that there are tensions between culture and profit?
 - If yes, how do you address these tensions? Are the tensions internal, external or both?
 - If no, why not?
- Do you act differently when dealing with cultural vs. business-oriented employees?
 - How are they different?
 - What is important when cooperating with the different groups?
- Are you building relationships differently in the cultural vs. business context within the organization?
- When you are forming decisions, do you have mainly culture or business in mind?
 - Why?
- Do you take active measures to emphasize the cultural context of Bonnier Books within the organization?
 - How
 - When
- How do you work to create an appealing vision for the future for you and your subordinates?
 - Is that only business-oriented?
- How do you unify everybody in the organizations?
 - Do you have any tools for this?

³² Not all questions were used in all interviews as they were semi-structured and we wanted a free discussion rather than short concise answers.

APPENDIX III: Interview Sample

Position	Sessions	Type of interview	Interview form	Date
CEO	1	Data	Face-to-face	16/3/15
CEO	1	Data	Skype	13/3/15
CEO	2	Pilot study + data	Face-to-face	10/2/15& 17/3/15
CEO	1	Data	Skype	11/3/15
CEO	1	Data	Skype	16/3/15
Publisher	1	Post study	Face-to-face	27/4/15
Publishing House Manager	1	Data	Face-to-face	16/3/15
Publishing House Manager	1	Data	Face-to-face	11/3/15
Publishing House Manager	1	Data	Face-to-face	10/3/15
Publishing House Manager	1	Data	Face-to-face	23/4/15
Retailer	2	Pilot study + data	Face-to-face	9/2/15 & 10/3/15
Retailer	2	Pilot study + data	Face-to-face	9/2/15 & 10/3/15
Support Staff Manager	1	Data	Face-to-face	13/3/15
Support Staff Manager	1	Data	Face-to-face	12/3/15
Support Staff Manager	1	Data	Face-to-face	12/3/15
Support Staff Manager	1	Data	Face-to-face	11/3/15
Top Management	2	Pilot study + data	Face-to-face	6/2/15 & 16/4/15
Top Management	2	Pilot study + data	Face-to-face	25/2/15 & 18/3/15
Top Management	1	Post-study	Face-to-face	17/4/15

APPENDIX IV: Full Thornton et. al. (2005) model

Characteristics	Editorial Logic	Market Logic
Economic System	Personal capitalism	Market capitalism
Source of identity	Publishing as a profession	Publishing as a business
Source of legitimacy	Personal reputation Literary value	Market position
Source of Authority	Founder-Editor Personal networks Private ownership	CEO Corporate hierarchy Public ownership
Band of mission	Increase sales Build prestige of house	Build competitive position of corporation Increase profit
Band of attention	Author-editor networks	Resource competition
Basis of Strategy	Organic growth Build personal imprints	Acquisitions growth Build market channels
Logic of investment	Capital committed to firm	Capital committed to market return
Governance mechanism	Family ownership, trade association	Market for corporate control
Institutional entrepreneurs	Case specific	Case specific
Event sequencing	Case specific	Case specific
Structural overlap	Case specific	Case specific

* The shaded boxes are not used in this study